

103^D CONGRESS
2^D SESSION

H. RES. 559

Concurring in the Senate amendment to H.R. 4217 with an amendment.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 3, 1994

Mr. DE LA GARZA submitted the following resolution; which was considered under suspension of the rules and agreed to

RESOLUTION

Concurring in the Senate amendment to H.R. 4217 with
an amendment.

1 *Resolved*, That upon adoption of this resolution, the
2 House shall be considered to have taken from the Speak-
3 er's table the bill (H.R. 4217) to reform the Federal crop
4 insurance program, and for other purposes, with the Sen-
5 ate amendment thereto, and to have concurred in the Sen-
6 ate amendment with an amendment as follows:

7 In lieu of the matter proposed to be inserted by the
8 Senate amendment, insert the following:

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the
 3 “Federal Crop Insurance Reform and Department of Ag-
 4 riculture Reorganization Act of 1994”.

5 (b) TABLE OF CONTENTS.—The table of contents of
 6 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—FEDERAL CROP INSURANCE REFORM

Sec. 101. Short title; references.
 Sec. 102. Definitions.
 Sec. 103. Members of Board of Directors of Corporation.
 Sec. 104. General powers.
 Sec. 105. Personnel.
 Sec. 106. Crop insurance.
 Sec. 107. Crop insurance yield coverage.
 Sec. 108. Preemption.
 Sec. 109. Advisory Committee.
 Sec. 110. Funding.
 Sec. 111. Noninsured crop disaster assistance.
 Sec. 112. Payment and income limitations.
 Sec. 113. Producer eligibility.
 Sec. 114. Ineligibility for catastrophic risk and noninsured assistance payments.
 Sec. 115. Elimination of gender references.
 Sec. 116. Prevented planting.
 Sec. 117. Report on improving dissemination of crop insurance information.
 Sec. 118. Crop insurance provider evaluation.
 Sec. 119. Conforming amendments.
 Sec. 120. Effective date.

**TITLE II—DEPARTMENT OF AGRICULTURE
 REORGANIZATION**

Sec. 201. Short title.
 Sec. 202. Purpose.
 Sec. 203. Definitions.

Subtitle A—General Reorganization Authorities

Sec. 211. Transfer of Department functions to Secretary of Agriculture.
 Sec. 212. Authority of Secretary to delegate transferred functions.
 Sec. 213. Reductions in number of department personnel.
 Sec. 214. Consolidation of headquarters offices.
 Sec. 215. Combination of field offices.
 Sec. 216. Improvement of information sharing.
 Sec. 217. Reports by the Secretary.
 Sec. 218. Assistant Secretaries of Agriculture.
 Sec. 219. Pay increases prohibited.

Subtitle B—Farm and Foreign Agricultural Services

- Sec. 225. Under Secretary of Agriculture for Farm and Foreign Agricultural Services.
- Sec. 226. Consolidated Farm Service Agency.
- Sec. 227. State, county, and area committees.

Subtitle C—Rural Economic and Community Development

- Sec. 231. Under Secretary of Agriculture for Rural Economic and Community Development.
- Sec. 232. Rural Utilities Service.
- Sec. 233. Rural Housing and Community Development Service.
- Sec. 234. Rural Business and Cooperative Development Service.
- Sec. 235. Conforming amendments regarding Rural Electrification Administration.

Subtitle D—Food, Nutrition, and Consumer Services

- Sec. 241. Under Secretary of Agriculture for Food, Nutrition, and Consumer Services.

Subtitle E—Natural Resources and Environment

- Sec. 245. Under Secretary of Agriculture for Natural Resources and Environment.
- Sec. 246. Natural Resources Conservation Service.
- Sec. 247. Reorganization of Forest Service.

Subtitle F—Research, Education, and Economics

- Sec. 251. Under Secretary of Agriculture for Research, Education, and Economics.
- Sec. 252. Program staff.

Subtitle G—Food Safety

- Sec. 261. Under Secretary of Agriculture for Food Safety.
- Sec. 262. Conditions for implementation of alterations in the level of additives allowed in animal diets.

Subtitle H—National Appeals Division

- Sec. 271. Definitions.
- Sec. 272. National Appeals Division and Director.
- Sec. 273. Transfer of functions.
- Sec. 274. Notice and opportunity for hearing.
- Sec. 275. Informal hearings.
- Sec. 276. Right of participants to Division hearing.
- Sec. 277. Division hearings.
- Sec. 278. Director review of determinations of hearing officers.
- Sec. 279. Judicial review.
- Sec. 280. Implementation of final determinations of Division.
- Sec. 281. Conforming amendments relating to National Appeals Division.
- Sec. 282. Expansion of issues covered by State mediation programs.
- Sec. 283. Authorization of appropriations.

Subtitle I—Miscellaneous Reorganization Provisions

- Sec. 291. Successorship provisions relating to bargaining units and exclusive representatives.
- Sec. 292. Purchase of American-made equipment and products.
- Sec. 293. Miscellaneous conforming amendments.
- Sec. 294. Removal of obsolete administrative provisions.
- Sec. 295. Proposed conforming amendments.
- Sec. 296. Termination of authority.

TITLE III—MISCELLANEOUS

- Sec. 301. Poultry labeling.
- Sec. 302. First Amendment rights of employees of the United States Department of Agriculture.
- Sec. 303. Adjusted cost of thrifty food plan.
- Sec. 304. Office of Risk Assessment and Cost-Benefit Analysis.
- Sec. 305. Fair and equitable treatment of socially disadvantaged producers.
- Sec. 306. Aviation inspections.

TITLE I—FEDERAL CROP INSURANCE REFORM

SEC. 101. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This title may be cited as the “Federal Crop Insurance Reform Act of 1994”.

(b) REFERENCES TO FEDERAL CROP INSURANCE ACT.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.).

SEC. 102. DEFINITIONS.

(a) IN GENERAL.—Section 502 (7 U.S.C. 1502) is amended—

(1) by striking the section heading and “SEC. 502.” and inserting the following:

1 **“SEC. 502. PURPOSE AND DEFINITIONS.**

2 “(a) PURPOSE.—”; and

3 (2) by adding at the end the following new sub-
4 section:

5 “(b) DEFINITIONS.—As used in this title:

6 “(1) ADDITIONAL COVERAGE.—The term ‘addi-
7 tional coverage’ means a plan of crop insurance cov-
8 erage providing a level of coverage greater than the
9 level available under catastrophic risk protection.

10 “(2) APPROVED INSURANCE PROVIDER.—The
11 term ‘approved insurance provider’ means a private
12 insurance provider that has been approved by the
13 Corporation to provide insurance coverage to produc-
14 ers participating in the Federal crop insurance pro-
15 gram established under this title.

16 “(3) BOARD.—The term ‘Board’ means the
17 Board of Directors of the Corporation established
18 under section 505(a).

19 “(4) CORPORATION.—The term ‘Corporation’
20 means the Federal Crop Insurance Corporation es-
21 tablished under section 503.

22 “(5) DEPARTMENT.—The term ‘Department’
23 means the United States Department of Agriculture.

24 “(6) LOSS RATIO.—The term ‘loss ratio’ means
25 the ratio of all sums paid by the Corporation as in-
26 demnities under any eligible crop insurance policy to

1 that portion of the premium designated for antici-
2 pated losses and a reasonable reserve, other than
3 that portion of the premium designated for operat-
4 ing and administrative expenses.

5 “(7) SECRETARY.—The term ‘Secretary’ means
6 the Secretary of Agriculture.

7 “(8) TRANSITIONAL YIELD.—The term ‘transi-
8 tional yield’ means the maximum average production
9 per acre or equivalent measure that is assigned to
10 acreage for a crop year by the Corporation in ac-
11 cordance with the regulations of the Corporation
12 whenever the producer fails—

13 “(A) to certify that acceptable documenta-
14 tion of production and acreage for the crop year
15 is in the possession of the producer; or

16 “(B) to present the acceptable documenta-
17 tion on the demand of the Corporation or an in-
18 surance company reinsured by the Corpora-
19 tion.”.

20 (b) CONFORMING AMENDMENTS.—

21 (1) The first sentence of section 503 (7 U.S.C.
22 1503) is amended by striking “(herein called the
23 Corporation)”.

24 (2) Section 504 (7 U.S.C. 1504) is amended—

1 (A) in subsection (a), by striking “Board
2 of Directors of the Corporation” and inserting
3 “Board”; and

4 (B) in subsection (d), by striking “Federal
5 Crop Insurance Corporation” and inserting
6 “Corporation”.

7 (3) The first sentence of section 505(a) (7
8 U.S.C. 1505(a)) is amended by striking “(herein-
9 after called the ‘Board’)”.

10 (4) Except in section 502, the Act is amend-
11 ed—

12 (A) by striking “Board of Directors” each
13 place it appears and inserting “Board”;

14 (B) by striking “Department of Agri-
15 culture” each place it appears and inserting
16 “Department”; and

17 (C) by striking “Secretary of Agriculture”
18 each place it appears and inserting “Secretary”.

19 **SEC. 103. MEMBERS OF BOARD OF DIRECTORS OF COR-**
20 **PORATION.**

21 The second sentence of section 505(a) (7 U.S.C.
22 1505(a)) is amended—

23 (1) by striking “or Assistant Secretary” the
24 first place it appears; and

1 (2) by striking “the Under Secretary or Assist-
2 ant Secretary of Agriculture responsible for the farm
3 credit programs of the Department of Agriculture”
4 and inserting “one additional Under Secretary of
5 Agriculture (as designated by the Secretary of Agri-
6 culture)”.

7 **SEC. 104. GENERAL POWERS.**

8 Section 506 (7 U.S.C. 1506) is amended—

9 (1) by redesignating subsections (j) through (n)
10 as subsections (k) through (o), respectively;

11 (2) by inserting after subsection (i) the follow-
12 ing new subsection:

13 “(j) **SETTLING CLAIMS.**—The Corporation shall have
14 the authority to make final and conclusive settlement and
15 adjustment of any claim by or against the Corporation or
16 a fiscal officer of the Corporation.”;

17 (3) in subsection (l) (as so redesignated)—

18 (A) in the first sentence, by inserting “,
19 and issue regulations,” after “agreements”; and

20 (B) in the second sentence, by striking
21 “contracts or agreements” each place it appears
22 and inserting “contracts, agreements, or regula-
23 tions”;

1 (4) in subsection (n)(1) (as so redesignated), by
2 striking subparagraph (B) and inserting the follow-
3 ing new subparagraph:

4 “(B) disqualify the person from purchasing
5 catastrophic risk protection or receiving
6 noninsured assistance for a period of not to ex-
7 ceed 2 years, or from receiving any other bene-
8 fit under this title for a period of not to exceed
9 10 years.”;

10 (5) in subsection (o) (as so redesignated)—

11 (A) by redesignating paragraphs (1)
12 through (4) as subparagraphs (A) through (D)
13 and aligning the margins of each subparagraph
14 with the margins of subparagraph (A) of sub-
15 section (n)(1) (as redesignated by paragraph
16 (1));

17 (B) by striking “(o) ACTUARIAL SOUND-
18 NESS.—The Corporation” and inserting the fol-
19 lowing:

20 “(o) ACTUARIAL SOUNDNESS.—

21 “(1) PROJECTED LOSS RATIO AS OF OCTOBER
22 1, 1995.—The Corporation”;

23 (C) in subparagraph (A) (as redesignated
24 by subparagraph (A)), by striking “from ob-
25 taining adequate Federal crop insurance, as de-

1 terminated by the Corporation” and inserting
2 “(as defined by the Secretary) from obtaining
3 Federal crop insurance”;

4 (D) in subparagraph (C) (as so redesign-
5 nated)—

6 (i) by inserting “, agents, and loss ad-
7 justers” after “participating producers”;
8 and

9 (ii) by inserting “, agents, and loss
10 adjusters” after “identify insured produc-
11 ers”; and

12 (E) by adding at the end the following new
13 paragraphs:

14 “(2) PROJECTED LOSS RATIO AS OF OCTOBER
15 1, 1998.—The Corporation shall take such actions,
16 including the establishment of adequate premiums,
17 as are necessary to improve the actuarial soundness
18 of Federal multiperil crop insurance made available
19 under this title to achieve, on and after October 1,
20 1998, an overall projected loss ratio of not greater
21 than 1.075.

22 “(3) NONSTANDARD CLASSIFICATION SYS-
23 TEM.—To the extent that the Corporation uses the
24 nonstandard classification system, the Corporation

1 shall apply the system to all insured producers in a
2 fair and consistent manner.”; and

3 (6) by adding at the end the following new sub-
4 sections:

5 “(p) REGULATIONS.—The Secretary and the Cor-
6 poration are each authorized to issue such regulations as
7 are necessary to carry out this title.

8 “(q) PROGRAM COMPLIANCE.—

9 “(1) TIMELINESS.—The Corporation shall work
10 actively with approved insurance providers to ad-
11 dress program compliance and integrity issues as the
12 issues develop.

13 “(2) NOTIFICATION OF COMPLIANCE PROB-
14 LEMS.—The Corporation shall notify in writing any
15 approved insurance provider with whom the Cor-
16 poration has an agreement under this title of any
17 error, omission, or failure to follow Corporation reg-
18 ulations or procedures for which the approved insur-
19 ance provider may be responsible and which may re-
20 sult in a debt owed the Corporation. The notice shall
21 be given within 3 years of the end of the insurance
22 period during which the error, omission, or failure is
23 alleged to have occurred, except that this time limit
24 shall not apply with respect to errors, omissions, or
25 procedural violations that are willful or intentional.

1 The failure to timely provide the notice required
 2 under this subsection shall relieve the approved in-
 3 surance provider from the debt owed the Corpora-
 4 tion.

5 “(r) PURCHASE OF AMERICAN-MADE EQUIPMENT
 6 AND PRODUCTS.—

7 “(1) SENSE OF CONGRESS.—It is the sense of
 8 Congress that, to the greatest extent practicable, all
 9 equipment and products purchased by the Corpora-
 10 tion using funds made available to the Corporation
 11 should be American-made.

12 “(2) NOTICE REQUIREMENT.—In providing fi-
 13 nancial assistance to, or entering into any contract
 14 with, any entity for the purchase of equipment and
 15 products to carry out this title, the Corporation, to
 16 the greatest extent practicable, shall provide to the
 17 entity a notice describing the statement made in
 18 paragraph (1).’”.

19 **SEC. 105. PERSONNEL.**

20 Section 507 (7 U.S.C. 1507) is amended—

21 (1) in subsection (a), by striking “, and county
 22 crop insurance committeemen”;

23 (2) in subsection (d), by striking “of this Act,”
 24 and all that follows through “agency”; and

1 (3) by adding at the end the following new sub-
2 section:

3 “(g)(1) The Corporation shall establish a manage-
4 ment-level position to be known as the Specialty Crops Co-
5 ordinator.

6 “(2) The Specialty Crops Coordinator shall have pri-
7 mary responsibility for addressing the needs of specialty
8 crop producers, and for providing information and advice,
9 in connection with the activities of the Corporation to im-
10 prove and expand the insurance program for specialty
11 crops. In carrying out this paragraph, the Specialty Crops
12 Coordinator shall act as the liaison of the Corporation
13 with representatives of specialty crop producers and assist
14 the Corporation with the knowledge, expertise, and famili-
15 arity of the producers with risk management and produc-
16 tion issues pertaining to specialty crops.

17 “(3) The Specialty Crops Coordinator shall use infor-
18 mation collected from Corporation field office directors in
19 States in which specialty crops have a significant economic
20 effect and from other sources, including the extension
21 service and colleges and universities.”.

22 **SEC. 106. CROP INSURANCE.**

23 Section 508 (7 U.S.C. 1508) is amended to read as
24 follows:

1 **“SEC. 508. CROP INSURANCE.**

2 “(a) AUTHORITY TO OFFER INSURANCE.—

3 “(1) IN GENERAL.—If sufficient actuarial data
4 are available (as determined by the Corporation), the
5 Corporation may insure, or provide reinsurance for
6 insurers of, producers of agricultural commodities
7 grown in the United States under 1 or more plans
8 of insurance determined by the Corporation to be
9 adapted to the agricultural commodity concerned. To
10 qualify for coverage under a plan of insurance, the
11 losses of the insured commodity must be due to
12 drought, flood, or other natural disaster (as deter-
13 mined by the Secretary).

14 “(2) PERIOD.—Except in the cases of tobacco
15 and potatoes, insurance shall not extend beyond the
16 period during which the insured commodity is in the
17 field. As used in the preceding sentence, in the case
18 of an aquacultural species, the term ‘field’ means
19 the environment in which the commodity is pro-
20 duced.

21 “(3) EXCLUSIONS.—Insurance provided under
22 this subsection shall not cover losses due to—

23 “(A) the neglect or malfeasance of the pro-
24 ducer;

1 “(B) the failure of the producer to reseed
2 to the same crop in such areas and under such
3 circumstances as it is customary to reseed; or

4 “(C) the failure of the producer to follow
5 good farming practices (as determined by the
6 Secretary).

7 “(4) EXPANSION TO OTHER AREAS OR SINGLE
8 PRODUCERS.—

9 “(A) AREA EXPANSION.—The Corporation
10 may offer plans of insurance or reinsurance for
11 production of agricultural commodities in the
12 Commonwealth of Puerto Rico, the Virgin Is-
13 lands, Guam, American Samoa, the Common-
14 wealth of the Northern Mariana Islands, the
15 Republic of the Marshall Islands, the Federated
16 States of Micronesia, and the Republic of Palau
17 in the same manner as provided in this section
18 for production of agricultural commodities in
19 the United States.

20 “(B) PRODUCER EXPANSION.—In an area
21 in the United States or specified in subpara-
22 graph (A) where crop insurance is not available
23 for a particular agricultural commodity, the
24 Corporation may offer to enter into a written
25 agreement with an individual producer operat-

1 ing in the area for insurance coverage under
2 this title if the producer has actuarially sound
3 data relating to the production by the producer
4 of the commodity and the data is acceptable to
5 the Corporation.

6 “(5) DISSEMINATION OF CROP INSURANCE IN-
7 FORMATION.—The Corporation shall make available
8 to producers through local offices of the Depart-
9 ment—

10 “(A) current and complete information on
11 all aspects of Federal crop insurance; and

12 “(B) a listing of insurance agents and
13 companies offering to sell crop insurance in the
14 area of the producers.

15 “(6) ADDITION OF NEW AND SPECIALTY
16 CROPS.—

17 “(A) DATA COLLECTION.—Not later than
18 180 days after the date of enactment of this
19 paragraph, the Secretary shall issue guidelines
20 for publication in the Federal Register for data
21 collection to assist the Corporation in formulat-
22 ing crop insurance policies for new and spe-
23 cialty crops.

24 “(B) ADDITION OF NEW CROPS.—Not later
25 than 1 year after the date of enactment of this

1 paragraph, and annually thereafter, the Cor-
2 poration shall report to Congress on the
3 progress and expected timetable for expanding
4 crop insurance coverage under this title to new
5 and specialty crops.

6 “(C) ADDITION OF DIRECT SALE PERISH-
7 ABLE CROPS.—Not later than 1 year after the
8 date of enactment of this paragraph, the Cor-
9 poration shall report to Congress on the fea-
10 sibility of offering a crop insurance program de-
11 signed to meet the needs of specialized produc-
12 ers of vegetables and other perishable crops who
13 market through direct marketing channels.

14 “(b) CATASTROPHIC RISK PROTECTION.—

15 “(1) IN GENERAL.—The Corporation shall offer
16 a catastrophic risk protection plan to indemnify pro-
17 ducers for crop loss due to loss of yield or prevented
18 planting, if provided by the Corporation, when the
19 producer is unable, because of drought, flood, or
20 other natural disaster (as determined by the Sec-
21 retary), to plant other crops for harvest on the acre-
22 age for the crop year.

23 “(2) AMOUNT OF COVERAGE.—

24 “(A) IN GENERAL.—Subject to subpara-
25 graph (B)—

1 “(i) in the case of each of the 1995
2 through 1998 crop years, catastrophic risk
3 protection shall offer a producer coverage
4 for a 50 percent loss in yield, on an indi-
5 vidual yield or area yield basis, indemnified
6 at 60 percent of the expected market price,
7 or a comparable coverage (as determined
8 by the Corporation); and

9 “(ii) in the case of each of the 1999
10 and subsequent crop years, catastrophic
11 risk protection shall offer a producer cov-
12 erage for a 50 percent loss in yield, on an
13 individual yield or area yield basis, indem-
14 nified at 55 percent of the expected market
15 price, or a comparable coverage (as deter-
16 mined by the Corporation).

17 “(B) REDUCTION IN ACTUAL PAYMENT.—

18 The amount paid to a producer on a claim
19 under catastrophic risk protection may reflect a
20 reduction that is proportional to the out-of-
21 pocket expenses that are not incurred by the
22 producer as a result of not planting, growing,
23 or harvesting the crop for which the claim is
24 made, as determined by the Corporation.

1 “(3) YIELD AND LOSS BASIS.—A producer shall
2 have the option of basing the catastrophic coverage
3 of the producer on an individual yield and loss basis
4 or on an area yield and loss basis, if both options
5 are offered by the Corporation.

6 “(4) SALE OF CATASTROPHIC RISK COV-
7 ERAGE.—

8 “(A) IN GENERAL.—Catastrophic risk cov-
9 erage may be offered by—

10 “(i) approved insurance providers, if
11 available in an area; and

12 “(ii) at the option of the Secretary
13 that is based on considerations of need,
14 local offices of the Department.

15 “(B) NEED.—For purposes of considering
16 need under subparagraph (A)(ii), the Secretary
17 may take into account the most efficient and
18 cost-effective use of resources, the availability of
19 personnel, fairness to local producers, the needs
20 and convenience of local producers, and the
21 availability of private insurance carriers.

22 “(5) ADMINISTRATIVE FEE.—

23 “(A) FEE REQUIRED.—Producers shall
24 pay an administrative fee for catastrophic risk
25 protection. The administrative fee for each pro-

1 ducer shall be \$50 per crop per county, but not
2 to exceed \$200 per producer per county up to
3 a maximum of \$600 per producer for all coun-
4 ties in which a producer has insured crops. The
5 administrative fee shall be paid by the producer
6 at the time the producer applies for cata-
7 strophic risk protection.

8 “(B) USE OF FEES.—

9 “(i) FEES UP TO \$100.—

10 “(I) FEES COLLECTED BY USDA
11 OFFICES.—Not more than \$100 of the
12 administrative fees paid by a producer
13 for catastrophic risk coverage that are
14 collected by an office of the Depart-
15 ment shall be credited to the appro-
16 priations account providing funds for
17 the payment of operating and admin-
18 istrative expenses incurred for the de-
19 livery of catastrophic risk protection
20 under this section. The fees shall be
21 collected in accordance with appro-
22 priation Acts and shall be available
23 until expended without fiscal year lim-
24 itation for the payment of the ex-
25 penses.

1 “(II) FEES COLLECTED BY AP-
2 PROVED INSURANCE PROVIDERS.—
3 Not more than \$100 of the adminis-
4 trative fees paid by a producer for
5 catastrophic risk coverage that are
6 collected by an approved insurance
7 provider shall be retained by the pro-
8 vider as payment for operating and
9 administrative expenses incurred for
10 the delivery of catastrophic risk pro-
11 tection.

12 “(ii) FEES IN EXCESS OF \$100.—Not-
13 withstanding the authority granted to the
14 Secretary under the Federal Crop Insur-
15 ance Corporation account provisions of the
16 Agricultural, Rural Development, Food
17 and Drug Administration, and Related
18 Agencies Appropriations Act, 1995, all fees
19 collected under this subsection in excess of
20 \$100 per producer per county shall be de-
21 posited in the crop insurance fund estab-
22 lished under section 516(c), to be available
23 for the programs and activities of the Cor-
24 poration.

1 “(C) WAIVER OF FEE.—The Corporation
2 shall waive the administrative fee for limited re-
3 source farmers, as defined by the Corporation.

4 “(6) PARTICIPATION REQUIREMENT.—A pro-
5 ducer may obtain catastrophic risk coverage for a
6 crop of the producer on land in the county only if
7 the producer obtains the coverage for the crop on all
8 insurable land of the producer in the county.

9 “(7) ELIGIBILITY FOR DEPARTMENT PRO-
10 GRAMS.—

11 “(A) IN GENERAL.—To be eligible for any
12 price support or production adjustment pro-
13 gram, the conservation reserve program, or any
14 benefit described in section 371 of the Consoli-
15 dated Farm and Rural Development Act, the
16 producer must obtain at least the catastrophic
17 level of insurance for each crop of economic sig-
18 nificance grown on each farm in the county in
19 which the producer has an interest, if insurance
20 is available in the county for the crop.

21 “(B) DEFINITION OF CROP OF ECONOMIC
22 SIGNIFICANCE.—As used in this paragraph, the
23 term ‘crop of economic significance’ means a
24 crop that has contributed, or is expected to con-

1 tribute, 10 percent or more of the total ex-
2 pected value of all crops grown by the producer.

3 “(8) LIMITATION DUE TO RISK.—The Corpora-
4 tion may limit catastrophic risk coverage in any
5 county or area, or on any farm, on the basis of the
6 insurance risk concerned.

7 “(9) TRANSITIONAL COVERAGE FOR 1995
8 CROPS.—Effective only for a 1995 crop planted or
9 for which insurance attached prior to January 1,
10 1995, the Corporation shall allow producers of the
11 crops until not later than the end of the 180-day pe-
12 riod beginning on the date of enactment of the Fed-
13 eral Crop Insurance Reform Act of 1994 to obtain
14 catastrophic risk protection for the crop. On enact-
15 ment of such Act, a producer who made timely pur-
16 chases of a crop insurance policy before the date of
17 enactment of such Act, under the provisions of this
18 title then in effect, shall be eligible for the same ben-
19 efits to which a producer would be entitled under
20 comparable additional coverage under subsection (c).

21 “(10) SIMPLIFICATION.—

22 “(A) CATASTROPHIC RISK PROTECTION
23 PLANS.—In developing and carrying out the
24 policies and procedures for a catastrophic risk
25 protection plan under this title, the Corporation

1 shall, to the maximum extent practicable, mini-
2 mize the paperwork required and the complexity
3 and costs of procedures governing applications
4 for, processing, and servicing of the plan for all
5 parties involved.

6 “(B) OTHER PLANS.—To the extent that
7 the policies and procedures developed under
8 subparagraph (A) may be applied to other plans
9 of insurance offered under this title without
10 jeopardizing the actuarial soundness or integ-
11 rity of the crop insurance program, the Cor-
12 poration shall apply the policies and procedures
13 to the other plans of insurance within a reason-
14 able period of time (as determined by the Cor-
15 poration) after the effective date of this para-
16 graph.

17 “(c) GENERAL COVERAGE LEVELS.—

18 “(1) ADDITIONAL COVERAGE GENERALLY.—

19 “(A) IN GENERAL.—The Corporation shall
20 offer to producers of agricultural commodities
21 grown in the United States plans of crop insur-
22 ance that provide additional coverage.

23 “(B) PURCHASE.—To be eligible for addi-
24 tional coverage, a producer must apply to an
25 approved insurance provider for purchase of ad-

1 ditional coverage if the coverage is available
2 from an approved insurance provider. If addi-
3 tional coverage is unavailable privately, the Cor-
4 poration may offer additional coverage plans of
5 insurance directly to producers.

6 “(2) TRANSFER OF RELEVANT INFORMATION.—
7 If a producer has already applied for catastrophic
8 risk protection at the local office of the Department
9 and elects to purchase additional coverage, the rel-
10 evant information for the crop of the producer shall
11 be transferred to the approved insurance provider
12 servicing the additional coverage crop policy.

13 “(3) YIELD AND LOSS BASIS.—A producer shall
14 have the option of purchasing additional coverage
15 based on an individual yield and loss basis or on an
16 area yield and loss basis, if both options are offered
17 by the Corporation.

18 “(4) LEVEL OF COVERAGE.—The level of cov-
19 erage shall be dollar denominated and may be pur-
20 chased at any level not to exceed 85 percent of the
21 individual yield or 95 percent of the area yield (as
22 determined by the Corporation). Not later than the
23 beginning of the 1996 crop year, the Corporation
24 shall provide producers with information on cata-
25 strophic risk and additional coverage in terms of dol-

1 lar coverage (within the allowable limits of coverage
2 provided in this paragraph).

3 “(5) PRICE LEVEL.—The Corporation shall es-
4 tablish a price level for each commodity on which in-
5 surance is offered that—

6 “(A) shall not be less than the projected
7 market price for the commodity (as determined
8 by the Corporation); or

9 “(B) at the discretion of the Corporation,
10 may be based on the actual market price at the
11 time of harvest (as determined by the Corpora-
12 tion).

13 “(6) PRICE ELECTIONS.—

14 “(A) IN GENERAL.—Subject to subpara-
15 graph (B), insurance coverage shall be made
16 available to a producer on the basis of any price
17 election that equals or is less than the price
18 election established by the Corporation. The
19 coverage shall be quoted in terms of dollars per
20 acre.

21 “(B) MINIMUM PRICE ELECTIONS.—The
22 Corporation may establish minimum price elec-
23 tions below which levels of insurance shall not
24 be offered.

1 “(C) WHEAT CLASSES AND MALTING BAR-
2 LEY.—The Corporation shall, as the Corpora-
3 tion determines practicable, offer producers dif-
4 ferent price elections for classes of wheat and
5 malting barley (including contract prices in the
6 case of malting barley), in addition to the
7 standard price election, that reflect different
8 market prices, as determined by the Corpora-
9 tion. The Corporation shall, as the Corporation
10 determines practicable, offer additional coverage
11 for each class determined under this subpara-
12 graph and charge a premium for each class that
13 is actuarially sound.

14 “(7) FIRE AND HAIL COVERAGE.—For levels of
15 additional coverage equal to 65 percent or more of
16 the recorded or appraised average yield indemnified
17 at 100 percent of the expected market price, or an
18 equivalent coverage, a producer may elect to delete
19 from the additional coverage any coverage against
20 damage caused by fire and hail if the producer ob-
21 tains an equivalent or greater dollar amount of cov-
22 erage for damage caused by fire and hail from an
23 approved insurance provider. On written notice of
24 the election to the company issuing the policy pro-
25 viding additional coverage and submission of evi-

1 dence of substitute coverage on the commodity in-
2 sured, the premium of the producer shall be reduced
3 by an amount determined by the Corporation to be
4 actuarially appropriate, taking into account the ac-
5 tual value of the remaining coverage provided by
6 the Corporation. In no event shall the producer be
7 given credit for an amount of premium determined
8 to be greater than the actuarial value of the protec-
9 tion against losses caused by fire and hail that is in-
10 cluded in the additional coverage for the crop.

11 “(8) STATE PREMIUM SUBSIDIES.—The Cor-
12 poration may enter into an agreement with any
13 State or agency of a State under which the State or
14 agency may pay to the approved insurance provider
15 an additional premium subsidy to further reduce the
16 portion of the premium paid by producers in the
17 State.

18 “(9) LIMITATIONS ON ADDITIONAL COV-
19 ERAGE.—The Board may limit the availability of ad-
20 ditional coverage under this subsection in any county
21 or area, or on any farm, on the basis of the insur-
22 ance risk involved. The Board shall not offer addi-
23 tional coverage equal to less than 50 percent of the
24 recorded or appraised average yield indemnified at

1 100 percent of the expected market price, or an
2 equivalent coverage.

3 “(10) ADMINISTRATIVE FEE.—

4 “(A) FEE REQUIRED.—Except as other-
5 wise provided in this paragraph, if a producer
6 elects to purchase additional coverage for a crop
7 at a level that is less than 65 percent of the re-
8 corded or appraised average yield indemnified
9 at 100 percent of the expected market price, or
10 an equivalent coverage, the producer shall pay
11 an administrative fee for the additional cov-
12 erage. Subsection (b)(5) shall apply in deter-
13 mining the amount and use of the administra-
14 tive fee or in determining whether to waive the
15 administrative fee.

16 “(B) EXCEPTION.—If a producer elects to
17 purchase additional coverage for a crop equal to
18 65 percent or more of the recorded or appraised
19 average yield indemnified at 100 percent of the
20 expected market price, or an equivalent cov-
21 erage, the producer shall not be subject to the
22 administrative fee required by this paragraph or
23 subsection (b)(5). If the producer has already
24 paid the administrative fee for a lower level of
25 coverage for the crop, the administrative fee

1 shall be refunded to the producer unless the re-
2 fund would reduce to less than \$200 the total
3 amount of the administrative fees paid by the
4 producer for 2 or more crops in the same coun-
5 ty for which a lower level of coverage is ob-
6 tained.

7 “(C) ADDITIONAL FEE.—If a producer
8 elects to purchase additional coverage for a crop
9 equal to or exceeding 65 percent of the recorded
10 or appraised average yield and 100 percent of
11 the expected market price or an equivalent cov-
12 erage, the producer shall pay an administrative
13 fee of \$10 for the coverage. If a producer has
14 already paid an administrative fee for lesser
15 coverage for the crop, the fee for lesser cov-
16 erage shall be refunded to the producer unless
17 the producer has paid the maximum fee for
18 lesser coverage and refund of the fee will not
19 reduce the amount to be paid below the maxi-
20 mum amount.

21 “(D) DEPOSIT OF FEES.—Notwithstanding
22 the authority granted to the Secretary under
23 the Federal Crop Insurance Corporation ac-
24 count provisions of the Agricultural, Rural De-
25 velopment, Food and Drug Administration, and

1 Related Agencies Appropriations Act, 1995, ad-
2 ministrative fees collected under subparagraph
3 (B) in excess of \$100 per producer per county
4 and under subparagraph (C) shall be deposited
5 in the insurance fund established under section
6 516(c) to be available for the programs and ac-
7 tivities of the Corporation.

8 “(d) PREMIUMS.—

9 “(1) PREMIUMS REQUIRED.—The Corporation
10 shall fix adequate premiums for all the plans of in-
11 surance of the Corporation at such rates as the
12 Board determines are actuarially sufficient to attain
13 an expected loss ratio of not greater than 1.1
14 through September 30, 1998, and not greater than
15 1.075 after October 1, 1998.

16 “(2) PREMIUM AMOUNTS.—The premium
17 amounts for catastrophic risk protection under sub-
18 section (b) and additional coverage under subsection
19 (c) shall be fixed as follows:

20 “(A) In the case of catastrophic risk pro-
21 tection, the amount of the premium shall be
22 sufficient to cover anticipated losses and a rea-
23 sonable reserve.

24 “(B) In the case of additional coverage
25 below 65 percent of the recorded or appraised

1 average yield indemnified at 100 percent of the
2 expected market price, or an equivalent cov-
3 erage, but greater than 50 percent of the re-
4 corded or appraised average yield indemnified
5 at 100 percent of the expected market price, or
6 an equivalent coverage, the amount of the pre-
7 mium shall—

8 “(i) be sufficient to cover anticipated
9 losses and a reasonable reserve; and

10 “(ii) include an amount for operating
11 and administrative expenses, as determined
12 by the Corporation.

13 “(C) In the case of additional coverage
14 equal to or greater than 65 percent of the re-
15 corded or appraised average yield indemnified
16 at 100 percent of the expected market price, or
17 an equivalent coverage, the amount of the pre-
18 mium shall—

19 “(i) be sufficient to cover anticipated
20 losses and a reasonable reserve; and

21 “(ii) include an amount for operating
22 and administrative expenses, as determined
23 by the Corporation, on an industry-wide
24 basis as a percentage of the amount of the
25 premium used to define loss ratio.

1 “(e) PAYMENT OF PORTION OF PREMIUM BY COR-
2 PORATION.—

3 “(1) IN GENERAL.—For the purpose of encour-
4 aging the broadest possible participation of produc-
5 ers in the catastrophic risk protection provided
6 under subsection (b) and the additional coverage
7 provided under subsection (c), the Corporation shall
8 pay a part of the premium in the amounts provided
9 in accordance with this subsection.

10 “(2) AMOUNT OF PAYMENT.—The amount of
11 the premium to be paid by the Corporation shall be
12 as follows:

13 “(A) In the case of catastrophic risk pro-
14 tection, the amount shall be equivalent to the
15 premium established for catastrophic risk pro-
16 tection under subsection (d)(2)(A).

17 “(B) In the case of coverage below 65 per-
18 cent of the recorded or appraised average yield
19 indemnified at 100 percent of the expected mar-
20 ket price, or an equivalent coverage, but greater
21 than 50 percent of the recorded or appraised
22 average yield indemnified at 100 percent of the
23 expected market price, or an equivalent cov-
24 erage, the amount shall be equivalent to the
25 amount of premium established for catastrophic

1 risk protection coverage and the amount of op-
2 erating and administrative expenses established
3 under subsection (d)(2)(B).

4 “(C) In the case of coverage equal to or
5 greater than 65 percent of the recorded or ap-
6 praised average yield indemnified at 100 per-
7 cent of the expected market price, or an equiva-
8 lent coverage, on an individual or area basis,
9 the amount shall be equivalent to an amount
10 equal to the premium established for 50 percent
11 loss in yield indemnified at 75 percent of the
12 expected market price and the amount of oper-
13 ating and administrative expenses established
14 under subsection (d)(2)(C).

15 “(3) PREMIUM REDUCTION.—If an approved in-
16 surance provider determines that the provider may
17 provide insurance more efficiently than the expense
18 reimbursement amount established by the Corpora-
19 tion, the approved insurance provider may reduce,
20 subject to the approval of the Corporation, the pre-
21 mium charged the insured by an amount correspond-
22 ing to the efficiency. The approved insurance pro-
23 vider shall apply to the Corporation for authority to
24 reduce the premium before making such a reduction,
25 and the reduction shall be subject to the rules, limi-

1 tations, and procedures established by the Corpora-
2 tion.

3 “(4) INDIVIDUAL AND AREA CROP INSURANCE
4 COVERAGE.—The Corporation shall allow approved
5 insurance providers to offer a plan of insurance to
6 producers that combines both individual yield cov-
7 erage and area yield coverage at a premium rate de-
8 termined by the provider under the following condi-
9 tions:

10 “(A) The individual yield coverage shall be
11 equal to or greater than catastrophic risk pro-
12 tection as described in subsection (b).

13 “(B) The combined policy shall include
14 area yield coverage that is offered by the Cor-
15 poration or similar area coverage, as deter-
16 mined by the Corporation.

17 “(C) The Corporation shall provide rein-
18 surance on the area yield portion of the com-
19 bined policy at the request of the provider, ex-
20 cept that the provider shall agree to pay to the
21 producer any portion of the area yield and loss
22 indemnity payment received from the Corpora-
23 tion or a commercial reinsurer that exceeds the
24 individual indemnity payment made by the pro-
25 vider to the producer.

1 “(D) The Corporation shall pay a part of
2 the premium equivalent to—

3 “(i) the amount authorized under
4 paragraph (2) (except provisions regarding
5 operating and administrative expenses);
6 and

7 “(ii) the amount of operating and ad-
8 ministrative expenses authorized by the
9 Corporation for the area yield coverage
10 portion of the combined policy.

11 “(E) The provider shall provide all under-
12 writing services for the combined policy, includ-
13 ing the determination of individual yield cov-
14 erage premium rates, the terms and conditions
15 of the policy, and the acceptance and classifica-
16 tion of applicants into risk categories, subject to
17 subparagraph (F).

18 “(F) The Corporation shall approve the
19 combined policy unless the Corporation deter-
20 mines that the policy is not actuarially sound or
21 that the interests of producers are not ade-
22 quately protected.

23 “(f) ELIGIBILITY.—

24 “(1) IN GENERAL.—To participate in cata-
25 strophic risk protection coverage under this section,

1 a producer shall submit an application at the local
2 office of the Department or to an approved insur-
3 ance provider.

4 “(2) SALES CLOSING DATE.—For coverage
5 under this title, each producer shall purchase crop
6 insurance on or before the sales closing date for the
7 crop by providing the required information and exe-
8 cuting the required documents. Subject to the goal
9 of ensuring actuarial soundness for the crop insur-
10 ance program, the sales closing date shall be estab-
11 lished by the Corporation to maximize convenience
12 to producers in obtaining benefits under price and
13 production adjustment programs of the Department.
14 Beginning with the 1995 crop year, the Corporation
15 shall establish, for an insurance policy for each in-
16 surable crop that is planted in the spring, a sales
17 closing date that is 30 days earlier than the cor-
18 responding sales closing date that was established
19 for the 1994 crop year.

20 “(3) RECORDS AND REPORTING.—To obtain
21 catastrophic risk protection under subsection (b) or
22 additional coverage under subsection (c), a producer
23 shall—

24 “(A) provide, to the extent required by the
25 Corporation, records acceptable to the Corpora-

1 tion of historical acreage and production of the
2 crops for which the insurance is sought or ac-
3 cept a yield determined by the Corporation; and

4 “(B) report acreage planted and prevented
5 from planting by the designated acreage report-
6 ing date for the crop and location as established
7 by the Corporation.

8 “(g) YIELD DETERMINATIONS.—

9 “(1) IN GENERAL.—Subject to paragraph (2),
10 the Corporation shall establish crop insurance un-
11 derwriting rules that ensure that yield coverage, as
12 specified in this subsection, is provided to eligible
13 producers obtaining catastrophic risk protection
14 under subsection (b) or additional coverage under
15 subsection (c).

16 “(2) YIELD COVERAGE PLANS.—

17 “(A) ACTUAL PRODUCTION HISTORY.—
18 Subject to subparagraph (B), the yield for a
19 crop shall be based on the actual production
20 history for the crop, if the crop was produced
21 on the farm without penalty during each of the
22 4 crop years immediately preceding the crop
23 year for which actual production history is
24 being established, building up to a production
25 data base for each of the 10 consecutive crop

1 years preceding the crop year for which actual
2 production history is being established.

3 “(B) ASSIGNED YIELD.—If the producer
4 does not provide satisfactory evidence of the
5 yield of a commodity under subparagraph (A),
6 the producer shall be assigned a yield that is
7 not less than 65 percent of the transitional
8 yield of the producer (adjusted to reflect actual
9 production reflected in the records acceptable to
10 the Corporation for continuous years), as speci-
11 fied in regulations issued by the Corporation
12 based on production history requirements.

13 “(C) AREA YIELD.—The Corporation may
14 offer a crop insurance plan based on an area
15 yield that allows an insured producer to qualify
16 for an indemnity if a loss has occurred in an
17 area (as specified by the Corporation) in which
18 the farm of the producer is located. Under an
19 area yield plan, an insured producer shall be al-
20 lowed to select the level of area production at
21 which an indemnity will be paid consistent with
22 such terms and conditions as are established by
23 the Corporation.

24 “(D) COMMODITY-BY-COMMODITY BASIS.—
25 A producer may choose between individual yield

1 or area yield coverage or combined coverage (as
2 provided in subsection (e)(4)), if available, on a
3 commodity-by-commodity basis.

4 “(3) TRANSITIONAL YIELDS FOR PRODUCERS
5 OF FEED OR FORAGE.—

6 “(A) IN GENERAL.—If a producer does not
7 provide satisfactory evidence of a yield under
8 paragraph (2)(A), the producer shall be as-
9 signed a yield that is at least 80 percent of the
10 transitional yield established by the Corporation
11 (adjusted to reflect the actual production his-
12 tory of the producer) if the Secretary deter-
13 mines that—

14 “(i) the producer grows feed or forage
15 primarily for on-farm use in a livestock,
16 dairy, or poultry operation; and

17 “(ii) over 50 percent of the net farm
18 income of the producer is derived from the
19 operation.

20 “(B) YIELD CALCULATION.—The Corpora-
21 tion shall—

22 “(i) for the first year of participation
23 of a producer, provide the assigned yield
24 under this paragraph to the producer of
25 feed or forage; and

1 “(ii) for the second year of participa-
2 tion of the producer, apply the actual pro-
3 duction history or assigned yield require-
4 ment, as provided in this subsection.

5 “(C) TERMINATION OF AUTHORITY.—The
6 authority provided by this paragraph shall ter-
7 minate on the date that is 3 years after the ef-
8 fective date of this paragraph.

9 “(h) SUBMISSION OF POLICIES AND MATERIALS TO
10 BOARD.—

11 “(1) IN GENERAL.—In addition to any standard
12 forms or policies that the Board may require be
13 made available to producers under subsection (c), a
14 person may prepare for submission or propose to the
15 Board—

16 “(A) other crop insurance policies and pro-
17 visions of policies; and

18 “(B) rates of premiums for multiple peril
19 crop insurance pertaining to wheat, soybeans,
20 field corn, and any other crops determined by
21 the Secretary.

22 “(2) SUBMISSION OF POLICIES.—A policy or
23 other material submitted to the Board under this
24 subsection may be prepared without regard to the
25 limitations contained in this title, including the re-

1 requirements concerning the levels of coverage and
2 rates and the requirement that a price level for each
3 commodity insured must equal the expected market
4 price for the commodity as established by the Board.
5 In the case of such a policy, the payment by the
6 Corporation of a portion of the premium of the pol-
7 icy may not exceed the amount that would otherwise
8 be authorized under subsection (e).

9 “(3) REVIEW AND APPROVAL BY THE BOARD.—
10 A policy or other material submitted to the Board
11 under this subsection shall be reviewed by the Board
12 and, if the Board finds that the interests of produc-
13 ers are adequately protected and that any premiums
14 charged to the producers are actuarially appropriate,
15 shall be approved by the Board for reinsurance and
16 for sale to producers as an additional choice at actu-
17 arially appropriate rates and under appropriate
18 terms and conditions. The Corporation may enter
19 into more than 1 reinsurance agreement with the ap-
20 proved insurance provider simultaneously to facili-
21 tate the offering of the new policies.

22 “(4) GUIDELINES FOR SUBMISSION AND RE-
23 VIEW.—The Corporation shall issue regulations to
24 establish guidelines for the submission, and Board
25 review, of policies or other material submitted to the

1 Board under this subsection. At a minimum, the
2 guidelines shall ensure the following:

3 “(A) A proposal submitted to the Board
4 under this subsection shall be considered as
5 confidential commercial or financial information
6 for purposes of section 552(b)(4) of title 5,
7 United States Code, until approved by the
8 Board. A proposal disapproved by the Board
9 shall remain confidential commercial or finan-
10 cial information.

11 “(B) The Board shall provide an applicant
12 with the opportunity to present the proposal to
13 the Board in person if the applicant so desires.

14 “(C) The Board shall provide an applicant
15 with notification of intent to disapprove a pro-
16 posal not later than 30 days prior to making
17 the disapproval. An applicant that receives the
18 notification may modify the application of the
19 applicant. Any modification shall be considered
20 an original application for purposes of this
21 paragraph.

22 “(D) Specific guidelines shall prescribe the
23 timing of submission of proposals under this
24 subsection and timely consideration by the
25 Board so that any approved proposal may be

1 made available to all persons reinsured by the
2 Corporation in a manner permitting the persons
3 to participate, if the persons so desire, in offer-
4 ing such a proposal in the first crop year in
5 which the proposal is approved by the Board for
6 reinsurance, premium subsidy, or other support
7 offered by this title.

8 “(5) REQUIRED PUBLICATION.—Any policy,
9 provision of a policy, or rate approved under this
10 subsection shall be published as a notice in the Fed-
11 eral Register and made available to all persons con-
12 tracting with or reinsured by the Corporation under
13 the terms and conditions of the contract between the
14 Corporation and the person originally submitting the
15 policy or other material.

16 “(6) PILOT COST OF PRODUCTION RISK PRO-
17 TECTION PLAN.—

18 “(A) IN GENERAL.—The Corporation shall
19 offer, to the extent practicable, a cost of pro-
20 duction risk protection plan of insurance that
21 indemnifies producers (including new produc-
22 ers) for insurable losses as provided in this
23 paragraph.

24 “(B) PILOT BASIS.—The cost of produc-
25 tion risk protection plan shall—

1 “(i) be established as a pilot project
2 for each of the 1996 and 1997 crop years;
3 and

4 “(ii) be carried out in a number of
5 counties that is determined by the Cor-
6 poration to be adequate to provide a com-
7 prehensive evaluation of the feasibility, ef-
8 fectiveness, and demand among producers
9 for the plan.

10 “(C) INSURABLE LOSS.—An insurable loss
11 shall be incurred by a producer if the gross in-
12 come of the producer (as determined by the
13 Corporation) is less than an amount determined
14 by the Corporation, as a result of a reduction
15 in yield or price resulting from an insured
16 cause.

17 “(D) DEFINITION OF NEW PRODUCER.—
18 As used in this paragraph, the term ‘new pro-
19 ducer’ means a person that has not been ac-
20 tively engaged in farming for a share of the
21 production of the insured crop for more than 2
22 crop years, as determined by the Secretary.

23 “(7) ADDITIONAL PREVENTED PLANTING POL-
24 ICY COVERAGE.—

1 “(A) IN GENERAL.—Beginning with the
2 1995 crop year, the Corporation shall offer to
3 producers additional prevented planting cov-
4 erage that insures producers against losses in
5 accordance with this paragraph.

6 “(B) APPROVED INSURANCE PROVIDERS.—
7 Additional prevented planting coverage shall be
8 offered by the Corporation through approved in-
9 surance providers.

10 “(C) TIMING OF LOSS.—A crop loss shall
11 be covered by the additional prevented planting
12 coverage if—

13 “(i) crop insurance policies were ob-
14 tained for—

15 “(I) the crop year the loss was
16 experienced; and

17 “(II) the crop year immediately
18 preceding the year of the prevented
19 planting loss; and

20 “(ii) the cause of the loss occurred—

21 “(I) after the sales closing date
22 for the crop in the crop year imme-
23 diately preceding the loss; and

1 “(II) before the sales closing date
2 for the crop in the year in which the
3 loss is experienced.

4 “(8) PILOT PROGRAM OF ASSIGNED YIELDS FOR
5 NEW PRODUCERS.—

6 “(A) PROGRAM REQUIRED.—For each of
7 the 1995 and 1996 crop years, the Corporation
8 shall carry out a pilot program to assign to eli-
9 gible new producers higher assigned yields than
10 would otherwise be assigned to the producers
11 under subsection (g). The Corporation shall in-
12 clude in the pilot program 30 counties that are
13 determined by the Corporation to be adequate
14 to provide a comprehensive evaluation of the
15 feasibility, effectiveness, and demand among
16 new producers for increased assigned yields.

17 “(B) INCREASED ASSIGNED YIELDS.—In
18 the case of an eligible new producer participat-
19 ing in the pilot program, the Corporation shall
20 assign to the new producer a yield that is equal
21 to not less than 110 percent of the transitional
22 yield otherwise established by the Corporation.

23 “(C) ELIGIBLE NEW PRODUCER.—The
24 Secretary shall establish a definition of new

1 producer for purposes of determining eligibility
2 to participate in the pilot program.

3 “(i) ADOPTION OF RATES AND COVERAGES.—The
4 Corporation shall adopt, as soon as practicable, rates and
5 coverages that will improve the actuarial soundness of the
6 insurance operations of the Corporation for those crops
7 that are determined to be insured at rates that are not
8 actuarially sound, except that no rate may be increased
9 by an amount of more than 20 percent over the com-
10 parable rate of the preceding crop year.

11 “(j) CLAIMS FOR LOSSES.—

12 “(1) IN GENERAL.—Under rules prescribed by
13 the Corporation, the Corporation may provide for
14 adjustment and payment of claims for losses. The
15 rules prescribed by the Corporation shall establish
16 standards to ensure that all claims for losses are ad-
17 justed, to the extent practicable, in a uniform and
18 timely manner.

19 “(2) DENIAL OF CLAIMS.—

20 “(A) IN GENERAL.—Subject to subpara-
21 graph (B), if a claim for indemnity is denied by
22 the Corporation or an approved provider, an ac-
23 tion on the claim may be brought against the
24 Corporation or Secretary only in the United

1 States district court for the district in which
2 the insured farm is located.

3 “(B) STATUTE OF LIMITATIONS.—A suit
4 on the claim may be brought not later than 1
5 year after the date on which final notice of de-
6 nial of the claim is provided to the claimant.

7 “(3) INDEMNIFICATION.—The Corporation shall
8 provide approved insurance providers with indem-
9 nification, including costs and reasonable attorney
10 fees incurred by the approved insurance provider,
11 due to errors or omissions on the part of the Cor-
12 poration.

13 “(k) REINSURANCE.—

14 “(1) IN GENERAL.—Notwithstanding any other
15 provision of this title, the Corporation shall, to the
16 maximum extent practicable, provide reinsurance to
17 insurers approved by the Corporation that insure
18 producers of any agricultural commodity under 1 or
19 more plans acceptable to the Corporation.

20 “(2) TERMS AND CONDITIONS.—The reinsur-
21 ance shall be provided on such terms and conditions
22 as the Board may determine to be consistent with
23 subsections (b) and (c) and sound reinsurance prin-
24 ciples.

1 “(3) SHARE OF RISK.—The reinsurance agree-
2 ments of the Corporation with the reinsured compa-
3 nies shall require the reinsured companies to bear a
4 sufficient share of any potential loss under the
5 agreement so as to ensure that the reinsured com-
6 pany will sell and service policies of insurance in a
7 sound and prudent manner, taking into consider-
8 ation the financial condition of the reinsured compa-
9 nies and the availability of private reinsurance.

10 “(4) RATE.—The rate established by the Board
11 to reimburse approved insurance providers and
12 agents for the administrative and operating costs of
13 the providers and agents shall not exceed—

14 “(A) for the 1997 reinsurance year, 29
15 percent of the premium used to define loss
16 ratio;

17 “(B) for the 1998 reinsurance year, 28
18 percent of the premium used to define loss
19 ratio; and

20 “(C) for the 1999 reinsurance year, 27.5
21 percent of the premium used to define loss
22 ratio.

23 “(5) COST AND REGULATORY REDUCTION.—
24 Consistent with section 118 of the Federal Crop In-
25 surance Reform Act of 1994, and consistent with

1 maintenance of program integrity, prevention of
2 fraud and abuse, the need for program expansion,
3 and improvement of quality of service to customers,
4 the Board shall alter program procedures and ad-
5 ministrative requirements in order to reduce the ad-
6 ministrative and operating costs of approved insur-
7 ance providers and agents in an amount that cor-
8 responds to any reduction in the reimbursement rate
9 required under paragraph (4) during the 5-year pe-
10 riod beginning on the date of enactment of this
11 paragraph.

12 “(6) AGENCY DISCRETION.—The determination
13 of whether the Corporation is achieving, or has
14 achieved, corresponding administrative cost savings
15 shall not be subject to administrative review, and is
16 wholly committed to agency discretion within the
17 meaning of section 701(a)(2) of title 5, United
18 States Code.

19 “(7) PLAN.—The Corporation shall submit to
20 Congress a plan outlining the measures that will be
21 used to achieve the reduction required under para-
22 graph (5). If the Corporation can identify additional
23 cost reduction measures, the Corporation shall de-
24 scribe the measures in the plan.

1 “(l) OPTIONAL COVERAGES.—The Corporation may
2 offer specific risk protection programs, including protec-
3 tion against prevented planting, wildlife depredation, tree
4 damage and disease, and insect infestation, under such
5 terms and conditions as the Board may determine, except
6 that no program may be undertaken if insurance for the
7 specific risk involved is generally available from private
8 companies.

9 “(m) RESEARCH.—

10 “(1) IN GENERAL.—Except as provided in para-
11 graph (2), the Corporation may conduct research,
12 surveys, pilot programs, and investigations relating
13 to crop insurance and agriculture-related risks and
14 losses including insurance on losses involving re-
15 duced forage on rangeland caused by drought and by
16 insect infestation, livestock poisoning and disease,
17 destruction of bees due to the use of pesticides, and
18 other unique special risks related to fruits, nuts,
19 vegetables, aquacultural species, forest industry
20 needs (including appreciation), and other agricul-
21 tural products as determined by the Board.

22 “(2) EXCEPTION.—No action may be under-
23 taken with respect to a risk under paragraph (1) if
24 insurance protection against the risk is generally
25 available from private companies.

1 “(3) EVALUATION.—After the completion of
2 any pilot program under this subsection, the Cor-
3 poration shall evaluate the pilot program and submit
4 to the Committee on Agriculture of the House of
5 Representatives and the Committee on Agriculture,
6 Nutrition, and Forestry of the Senate, a report of
7 the operations of the pilot program, including the
8 evaluation by the Corporation of the pilot program
9 and the recommendations of the Corporation with
10 respect to implementing the program on a national
11 basis.”.

12 **SEC. 107. CROP INSURANCE YIELD COVERAGE.**

13 Section 508A (7 U.S.C. 1508a) is repealed.

14 **SEC. 108. PREEMPTION.**

15 Section 511 (7 U.S.C. 1511) is amended by adding
16 at the end the following sentence: “A contract of insurance
17 of the Corporation, and a contract of insurance reinsured
18 by the Corporation, shall be exempt from taxation imposed
19 by any State, municipality, or local taxing authority.”.

20 **SEC. 109. ADVISORY COMMITTEE.**

21 The Act is amended by inserting after section 514
22 (7 U.S.C. 1514) the following new section:

1 **“SEC. 515. ADVISORY COMMITTEE FOR FEDERAL CROP**
2 **INSURANCE.**

3 “(a) ESTABLISHMENT.—The Secretary may establish
4 within the Department an advisory committee to be known
5 as the ‘Advisory Committee for Federal Crop Insurance’.

6 “(b) PRIMARY RESPONSIBILITY.—The primary re-
7 sponsibility of the Advisory Committee shall be to advise
8 the Secretary on the implementation of this title and on
9 other issues related to crop insurance, as determined by
10 the Manager of the Corporation.

11 “(c) MEMBERSHIP.—The Advisory Committee shall
12 be composed of the Manager of the Corporation, the Sec-
13 retary (or a designee of the Secretary), and not fewer than
14 12 members representing organizations and agencies in-
15 volved in the provision of crop insurance under this title.
16 Not fewer than 3 of the members of the Advisory Commit-
17 tee shall be representatives of the specialty crops industry.
18 The organizations or agencies represented by members on
19 the Advisory Committee may include insurance companies,
20 insurance agents, farm producer organizations, experts on
21 agronomic practices, and banking and lending institutions.

22 “(d) ADMINISTRATIVE PROVISIONS.—

23 “(1) TERMS.—Members of the Advisory Com-
24 mittee (other than the Manager of the Corporation
25 and the Secretary) shall be appointed by the Sec-
26 retary for a term of up to 2 years from nominations

1 made by the organizations and agencies specified in
2 subsection (c). The terms of the members (other
3 than the Manager of the Corporation and the Sec-
4 retary) shall be staggered.

5 “(2) CHAIRPERSON.—The Advisory Committee
6 shall be chaired by the Manager of the Corporation.

7 “(3) MEETINGS.—The Advisory Committee
8 shall meet at least annually. The meetings of the
9 Advisory Committee shall be publicly announced in
10 advance and shall be open to the public. Appropriate
11 records of the activities of the Advisory Committee
12 shall be kept and made available to the public on re-
13 quest.

14 “(e) REPORTS.—Not later than June 30 of each year,
15 the Advisory Committee shall submit to the Secretary a
16 report specifying the conclusions and recommendations of
17 the Advisory Committee regarding—

18 “(1) the progress toward implementation of this
19 title;

20 “(2) the actuarial soundness of the Federal
21 crop insurance program;

22 “(3) the rate of producer participation in both
23 catastrophic risk protection under section 508(b)
24 and additional coverage under section 508(c); and

1 “(4) the progress toward improved crop insur-
2 ance coverage for new and specialty crops.

3 “(f) TERMINATION OF AUTHORITY.—The authority
4 provided by this section shall terminate on September 30,
5 1998.”.

6 **SEC. 110. FUNDING.**

7 Section 516 (7 U.S.C. 1516) is amended to read as
8 follows:

9 **“SEC. 516. FUNDING.**

10 “(a) AUTHORIZATION OF APPROPRIATIONS.—

11 “(1) DISCRETIONARY EXPENSES.—There are
12 authorized to be appropriated for each of fiscal years
13 1995 through 2001 such sums as are necessary to
14 cover—

15 “(A) the salaries and expenses of the Cor-
16 poration; and

17 “(B) the administrative and operating ex-
18 penses of the Corporation for the sales commis-
19 sions of agents.

20 “(2) MANDATORY EXPENSES.—There are au-
21 thorized to be appropriated such sums as are nec-
22 essary to cover—

23 “(A) in the case of each of the 1995
24 through 1997 reinsurance years, the adminis-
25 trative and operating expenses of the Corpora-

1 tion for the sales commissions of agents, con-
2 sistent with subsection (b)(1);

3 “(B) premium subsidies, including the ad-
4 ministrative and operating expenses of an ap-
5 proved insurance provider for the delivery of
6 policies with additional coverage; and

7 “(C) payments for noninsured assistance
8 losses under section 519.

9 “(b) PAYMENT OF EXPENSES.—

10 “(1) ADMINISTRATIVE AND OPERATING EX-
11 PENSES.—

12 “(A) IN GENERAL.—Except as provided in
13 subparagraph (B), in the case of each of the
14 1995 through 1997 reinsurance years, the Cor-
15 poration is authorized to pay from the insur-
16 ance fund established under subsection (c), the
17 administrative and operating expenses of an ap-
18 proved insurance provider, including expenses
19 covered by subsection (a)(1)(B).

20 “(B) SALES COMMISSIONS FOR 1997 REIN-
21 SURANCE YEAR.—In the case of the 1997 rein-
22 surance year, the amount of the payments from
23 the insurance fund established under subsection
24 (c) for the expenses of the Corporation for the
25 sales commissions of agents may not exceed 8.5

1 percent of the total amount of premiums paid
2 for additional coverage for the 1997 reinsurance
3 year.

4 “(2) OTHER EXPENSES.—The Corporation is
5 authorized to pay from the insurance fund estab-
6 lished under subsection (c)—

7 “(A) all other expenses of the Corporation
8 (other than expenses covered by subsection
9 (a)(1)), including all premium subsidies,
10 noninsured assistance benefits, and indemnities;

11 “(B) subject to paragraph (1)(B), in the
12 case of each of the 1995 through 1997 reinsur-
13 ance years, all administrative and expense reim-
14 bursements due under a reinsurance agreement
15 with an approved insurance provider; and

16 “(C) to the extent necessary, expenses in-
17 curred by the Corporation to carry out research
18 and development.

19 “(c) INSURANCE FUND.—

20 “(1) IN GENERAL.—There is established an in-
21 surance fund, for the deposit of premium income
22 and amounts made available under subsection (a)(2),
23 to be available without fiscal year limitation.

24 “(2) COMMODITY CREDIT CORPORATION
25 FUNDS.—If at any time the amounts in the insur-

1 ance fund are insufficient to enable the Corporation
 2 to carry out subsection (b), to the extent the funds
 3 of the Commodity Credit Corporation are avail-
 4 able—

5 “(A) the Corporation may request the Sec-
 6 retary to use the funds of the Commodity Cred-
 7 it Corporation to carry out subsection (b); and

8 “(B) the Secretary may use the funds of
 9 the Commodity Credit Corporation to carry out
 10 subsection (b).”.

11 **SEC. 111. NONINSURED CROP DISASTER ASSISTANCE.**

12 Section 519 (7 U.S.C. 1519) is amended to read as
 13 follows:

14 **“SEC. 519. NONINSURED CROP DISASTER ASSISTANCE**
 15 **PROGRAM.**

16 “(a) ESTABLISHMENT OF PROGRAM.—

17 “(1) ESTABLISHMENT.—In the case of an eligi-
 18 ble crop described in paragraph (2), the Corporation
 19 shall establish a noninsured crop disaster assistance
 20 program to provide coverage equivalent to the cata-
 21 strophic risk protection otherwise available under
 22 section 508(b).

23 “(2) ELIGIBLE CROPS.—

24 “(A) IN GENERAL.—As used in this sec-
 25 tion, the term ‘eligible crop’ means each com-

1 merchial crop or other agricultural commodity
2 (except livestock)—

3 “(i) for which catastrophic risk pro-
4 tection under section 508(b) is not avail-
5 able; and

6 “(ii) that is produced for food or
7 fiber.

8 “(B) CROPS SPECIFICALLY INCLUDED.—

9 The term ‘eligible crop’ shall include floricult-
10 tural, ornamental nursery, and Christmas tree
11 crops, turfgrass sod, and industrial crops.

12 “(3) CAUSE OF LOSS.—To qualify for assist-
13 ance under this section, the losses of the noninsured
14 commodity shall be due to drought, flood, or other
15 natural disaster, as determined by the Secretary.

16 “(b) APPLICATION FOR NONINSURED CROP DISAS-
17 TER ASSISTANCE.—

18 “(1) TIMELY APPLICATION.—To be eligible for
19 assistance under this section, a producer shall sub-
20 mit an application for noninsured crop disaster as-
21 sistance at a local office of the Department. The ap-
22 plication shall be in such form, contain such infor-
23 mation, and be submitted at such time as the Cor-
24 poration may require.

1 “(2) RECORDS.—A producer shall annually pro-
2 vide records, as required by the Corporation, of pre-
3 vious crop acreage, acreage yields, and production,
4 or the producer shall accept a yield under subsection
5 (e)(3) determined by the Corporation.

6 “(3) ACREAGE REPORTS.—A producer shall
7 provide reports on acreage planted or prevented
8 from being planted, as required by the Corporation,
9 by the designated acreage reporting date for the
10 crop and location as established by the Corporation.

11 “(c) LOSS REQUIREMENTS.—

12 “(1) REQUIRED AREA LOSS.—A producer of an
13 eligible crop shall not receive noninsured crop disas-
14 ter assistance unless the average yield for that crop,
15 or an equivalent measure in the event yield data are
16 not available, in an area falls below 65 percent of
17 the expected area yield, as established by the Cor-
18 poration.

19 “(2) PREVENTED PLANTING.—Subject to para-
20 graph (1), the Corporation shall make a prevented
21 planting noninsured crop disaster assistance pay-
22 ment if the producer is prevented from planting
23 more than 35 percent of the acreage intended for
24 the eligible crop because of drought, flood, or other
25 natural disaster, as determined by the Secretary.

1 “(3) REDUCED YIELDS.—Subject to paragraph
2 (1), the Corporation shall make a reduced yield
3 noninsured crop disaster assistance payment to a
4 producer if the total quantity of the eligible crop
5 that the producer is able to harvest on any farm is,
6 because of drought, flood, or other natural disaster
7 as determined by the Secretary, less than 50 percent
8 of the expected individual yield for the crop, as de-
9 termined by the Corporation, factored for the inter-
10 est of the producer for the crop.

11 “(d) PAYMENT.—The Corporation shall make avail-
12 able to a producer eligible for noninsured assistance under
13 this section a payment computed by multiplying—

14 “(1) the quantity that is less than 50 percent
15 of the established yield for the crop; by

16 “(2)(A) in the case of each of the 1995 through
17 1998 crop years, 60 percent of the average market
18 price for the crop (or any comparable coverage de-
19 termined by the Corporation); or

20 “(B) in the case of each of the 1999 and subse-
21 quent crop years, 55 percent of the average market
22 price for the crop (or any comparable coverage de-
23 termined by the Corporation); by

24 “(3) a payment rate for the type of crop (as de-
25 termined by the Corporation) that—

1 “(A) in the case of a crop that is produced
 2 with a significant and variable harvesting ex-
 3 pense, reflects the decreasing cost incurred in
 4 the production cycle for the crop that is—

5 “(i) harvested;

6 “(ii) planted but not harvested; and

7 “(iii) prevented from being planted
 8 because of drought, flood, or other natural
 9 disaster (as determined by the Secretary);
 10 and

11 “(B) in the case of a crop that is not pro-
 12 duced with a significant and variable harvesting
 13 expense, is determined by the Corporation.

14 “(e) YIELD DETERMINATIONS.—

15 “(1) ESTABLISHMENT.—The Corporation shall
 16 establish farm yields for purposes of providing
 17 noninsured crop disaster assistance under this sec-
 18 tion.

19 “(2) ACTUAL PRODUCTION HISTORY.—The Cor-
 20 poration shall determine yield coverage using the ac-
 21 tual production history of the producer over a period
 22 of not less than the 4 previous consecutive crop
 23 years and not more than 10 consecutive crop years.
 24 Subject to paragraph (3), the yield for the year in
 25 which noninsured crop disaster assistance is sought

1 shall be equal to the average of the actual produc-
2 tion history of the producer during the period con-
3 sidered.

4 “(3) ASSIGNMENT OF YIELD.—If a producer
5 does not submit adequate documentation of produc-
6 tion history to determine a crop yield under para-
7 graph (2), the Corporation shall assign to the pro-
8 ducer a yield equal to not less than 65 percent of
9 the transitional yield of the producer (adjusted to re-
10 flect actual production reflected in the records ac-
11 ceptable to the Corporation for continuous years), as
12 specified in regulations issued by the Corporation
13 based on production history requirements.

14 “(4) PROHIBITION ON ASSIGNED YIELDS IN
15 CERTAIN COUNTIES.—

16 “(A) IN GENERAL.—

17 “(i) DOCUMENTATION.—If sufficient
18 data are available to demonstrate that the
19 acreage of a crop in a county for the crop
20 year has increased by more than 100 per-
21 cent over any year in the preceding 7 crop
22 years or, if data are not available, if the
23 acreage of the crop in the county has in-
24 creased significantly from the previous
25 crop years, a producer must provide such

1 detailed documentation of production costs,
2 acres planted, and yield for the crop year
3 for which benefits are being claimed as is
4 required by the Corporation. If the Cor-
5 poration determines that the documenta-
6 tion provided is not sufficient, the Corpora-
7 tion may require documenting proof that
8 the crop, had the crop been harvested,
9 could have been marketed at a reasonable
10 price.

11 “(ii) PROHIBITION.—Except as pro-
12 vided in subparagraph (B), a producer who
13 produces a crop on a farm located in a
14 county described in clause (i) may not ob-
15 tain an assigned yield.

16 “(B) EXCEPTION.—A crop or a producer
17 shall not be subject to this subsection if—

18 “(i) the planted acreage of the pro-
19 ducer for the crop has been inspected by a
20 third party acceptable to the Secretary; or

21 “(ii) (I) the County Executive Director
22 and the State Executive Director rec-
23 ommend an exemption from the require-
24 ment to the Deputy Administrator for
25 State and County Operations of the Agri-

1 cultural Stabilization and Conservation
2 Service; and

3 “(II) the Deputy Administrator ap-
4 proves the recommendation.

5 “(5) LIMITATION ON RECEIPT OF SUBSEQUENT
6 ASSIGNED YIELD.—A producer who receives an as-
7 signed yield for the current year of a natural disas-
8 ter because required production records were not
9 submitted to the local office of the Department shall
10 not be eligible for an assigned yield for the year of
11 the next natural disaster unless the required produc-
12 tion records of the previous 1 or more years (as ap-
13 plicable) are provided to the local office.

14 “(6) YIELD VARIATIONS DUE TO DIFFERENT
15 FARMING PRACTICES.—The Corporation shall ensure
16 that noninsured crop disaster assistance accurately
17 reflects significant yield variations due to different
18 farming practices, such as between irrigated and
19 nonirrigated acreage.

20 “(f) CONTRACT PAYMENTS.—A producer who has re-
21 ceived a guaranteed payment for production, as opposed
22 to delivery, of a crop pursuant to a contract shall have
23 the production of the producer adjusted upward by the
24 amount of the production equal to the amount of the con-
25 tract payment received.

1 “(g) PAYMENT OF LOSSES.—Payments for
 2 noninsured crop disaster assistance losses under this sec-
 3 tion shall be made from the insurance fund established
 4 under section 516. The losses shall not be included in cal-
 5 culating the premiums charged to producers for insurance
 6 under section 508.

7 “(h) EXCLUSIONS.—Noninsured crop disaster assist-
 8 ance under this section shall not cover losses due to—

9 “(A) the neglect or malfeasance of the pro-
 10 ducer;

11 “(B) the failure of the producer to reseed to the
 12 same crop in those areas and under such cir-
 13 cumstances where it is customary to reseed; or

14 “(C) the failure of the producer to follow good
 15 farming practices, as determined by the Corpora-
 16 tion.”.

17 **SEC. 112. PAYMENT AND INCOME LIMITATIONS.**

18 Section 519 (7 U.S.C. 1519) (as amended by section
 19 111) is further amended by adding at the end the follow-
 20 ing new subsection:

21 “(h) PAYMENT AND INCOME LIMITATIONS.—

22 “(1) DEFINITIONS.—As used in this subsection:

23 “(A) PERSON.—The term ‘person’ has the
 24 meaning provided the term in regulations issued
 25 by the Secretary. The regulations shall conform,

1 to the extent practicable, to the regulations de-
2 fining the term ‘person’ issued under section
3 1001 of the Food Security Act of 1985 (7
4 U.S.C. 1308).

5 “(B) QUALIFYING GROSS REVENUES.—The
6 term ‘qualifying gross revenues’ means—

7 “(i) if a majority of the gross revenue
8 of the person is received from farming,
9 ranching, and forestry operations, the
10 gross revenue from the farming, ranching,
11 and forestry operations of the person; and

12 “(ii) if less than a majority of the
13 gross revenue of the person is received
14 from farming, ranching, and forestry oper-
15 ations, the gross revenue of the person
16 from all sources.

17 “(2) PAYMENT LIMITATION.—The total amount
18 of payments that a person shall be entitled to receive
19 annually under this title may not exceed \$100,000.

20 “(3) LIMITATION ON MULTIPLE BENEFITS FOR
21 SAME LOSS.—If a producer who is eligible to receive
22 benefits under catastrophic risk protection under
23 section 508(b) or noninsured crop disaster assist-
24 ance under this section is also eligible to receive as-
25 sistance for the same loss under any other program

1 administered by the Secretary, the producer shall be
2 required to elect whether to receive benefits under
3 this title or under the other program, but not both.

4 A producer who purchases additional coverage under
5 section 508(c) may also receive assistance for the
6 same loss under other programs administered by the
7 Secretary, except that the amount received for the
8 loss under the additional coverage together with the
9 amount received under the other programs may not
10 exceed the amount of the actual loss of the producer.

11 “(4) INCOME LIMITATION.—A person who has
12 qualifying gross revenues in excess of the amount
13 specified in section 2266(a) of the Food, Agri-
14 culture, Conservation, and Trade Act of 1990 (7
15 U.S.C. 1421 note) (as in effect on November 28,
16 1990) during the taxable year (as determined by the
17 Secretary) shall not be eligible to receive any
18 noninsured assistance payment under this section.

19 “(5) REGULATIONS.—The Secretary shall issue
20 regulations prescribing such rules as the Secretary
21 determines necessary to ensure a fair and equitable
22 application of section 1001 of the Food Security Act
23 of 1985 (7 U.S.C. 1308), the general payment limi-
24 tation regulations of the Secretary, and the limita-
25 tions established under this subsection.”.

1 **SEC. 113. PRODUCER ELIGIBILITY.**

2 Section 520 (7 U.S.C. 1520) is amended to read as
3 follows:

4 **“SEC. 520. PRODUCER ELIGIBILITY.**

5 “Except as otherwise provided in this title, a pro-
6 ducer shall not be denied insurance under this title if—

7 “(1) for purposes of catastrophic risk protection
8 coverage, the producer is a ‘person’ (as defined by
9 the Secretary); and

10 “(2) for purposes of any other plan of insur-
11 ance, the producer is 18 years of age and has a bona
12 fide insurable interest in a crop as an owner-opera-
13 tor, landlord, tenant, or sharecropper.”.

14 **SEC. 114. INELIGIBILITY FOR CATASTROPHIC RISK AND**
15 **NONINSURED ASSISTANCE PAYMENTS.**

16 The Act (7 U.S.C. 1501 et seq.) is amended by add-
17 ing at the end the following new section:

18 **“SEC. 521. INELIGIBILITY FOR CATASTROPHIC RISK AND**
19 **NONINSURED ASSISTANCE PAYMENTS.**

20 “If the Secretary determines that a person has know-
21 ingly adopted a material scheme or device to obtain cata-
22 strophic risk, additional coverage, or noninsured assist-
23 ance benefits under this title to which the person is not
24 entitled, has evaded this title, or has acted with the pur-
25 poses of evading this title, the person shall be ineligible
26 to receive all benefits applicable to the crop year for which

1 the scheme or device was adopted. The authority provided
2 by this section shall be in addition to, and shall not sup-
3 plant, the authority provided by section 506(n).”.

4 **SEC. 115. ELIMINATION OF GENDER REFERENCES.**

5 (a) MANAGEMENT OF CORPORATION.—Section 505
6 (7 U.S.C. 1505) is amended—

7 (1) in subsection (a), by striking the third sen-
8 tence and inserting “The Board shall be appointed
9 by, and hold office at the pleasure of, the Secretary.
10 The Secretary shall not be a member of the Board.”;
11 and

12 (2) in subsection (d)—

13 (A) by striking “upon him”; and

14 (B) by striking “He shall be appointed
15 by,” and inserting “The manager shall be ap-
16 pointed by,”.

17 (b) PERSONNEL.—Section 507 (7 U.S.C. 1507) is
18 amended—

19 (1) in subsection (a), by striking “as he may
20 determine: *Provided, That*” and inserting “as the
21 Secretary may determine appropriate. However,”;
22 and

23 (2) in subsection (d), by striking “as he may re-
24 quest” and inserting “that the Secretary requests”.

1 (c) INDEMNITIES EXEMPT FROM LEVY.—Section
2 509 (7 U.S.C. 1509) is amended by striking “or his es-
3 tate” and inserting “or the estate of the insured”.

4 **SEC. 116. PREVENTED PLANTING.**

5 (a) IN GENERAL.—Effective for the 1994 crop year,
6 a producer described in subsection (b) shall receive com-
7 pensation under the prevented planting coverage policy
8 provision described in subsection (b)(1) by—

9 (1) obtaining from the Secretary of Agriculture
10 the applicable amount that is payable under the con-
11 serving use program described in subsection (b)(4);
12 and

13 (2) obtaining from the Federal Crop Insurance
14 Corporation the amount that is equal to the dif-
15 ference between—

16 (A) the amount that is payable under the
17 conserving use program; and

18 (B) the amount that is payable under the
19 prevented planting coverage policy.

20 (b) ELIGIBLE PRODUCERS.—Subsection (a) shall
21 apply to a producer who—

22 (1) purchased a prevented planting policy for
23 the 1994 crop year from the Federal Crop Insurance
24 Corporation prior to the spring sales closing date for
25 the 1994 crop year;

1 (2) is unable to plant a crop due to major,
2 widespread flooding in the Midwest, or excessive
3 ground moisture, that occurred prior to the spring
4 sales closing date for the 1994 crop year;

5 (3) had a reasonable expectation of planting a
6 crop on the prevented planting acreage for the 1994
7 crop year; and

8 (4) participates in a conserving use program es-
9 tablished for the 1994 crop of wheat, feed grains,
10 upland cotton, or rice established under section
11 107B(c)(1)(E), 105B(c)(1)(E), 103B(c)(1)(D), or
12 101B(c)(1)(D), respectively, of the Agricultural Act
13 of 1949 (7 U.S.C. 1445b-3a(c)(1)(E),
14 1444f(c)(1)(E), 1444-2(c)(1)(D), or 1441-
15 2(c)(1)(D)).

16 (c) OILSEED PREVENTED PLANTING PAYMENTS.—

17 (1) IN GENERAL.—Effective for the 1994 crop
18 year, a producer of a crop of oilseeds (as defined in
19 section 205(a) of the Agricultural Act of 1949 (7
20 U.S.C. 1446f(a))) shall receive a prevented planting
21 payment for the crop if the requirements of para-
22 graphs (1), (2), and (3) of subsection (b) are satis-
23 fied.

1 (2) SOURCE OF PAYMENT.—The total amount
2 of payments required under this subsection shall be
3 made by the Federal Crop Insurance Corporation.

4 (d) PAYMENT.—A payment under this section may
5 not be made before October 1, 1994.

6 **SEC. 117. REPORT ON IMPROVING DISSEMINATION OF**
7 **CROP INSURANCE INFORMATION.**

8 Not later than 180 days after the date of enactment
9 of this Act and at the end of each of the 2 1-year periods
10 thereafter, the Federal Crop Insurance Corporation shall
11 submit a report to Congress containing a plan to imple-
12 ment a sound program for producer education regarding
13 the crop insurance program and for the dissemination of
14 crop insurance information to producers, as required by
15 section 508(a)(5) of the Federal Crop Insurance Act (as
16 amended by section 106).

17 **SEC. 118. CROP INSURANCE PROVIDER EVALUATION.**

18 (a) IN GENERAL.—The Comptroller General of the
19 United States and the Federal Crop Insurance Corpora-
20 tion (referred to in this section as the “Corporation”) shall
21 jointly evaluate the financial arrangement between the
22 Corporation and approved insurance providers to deter-
23 mine the quality, costs, and efficiencies of providing the
24 benefits of multiple peril crop insurance to producers of

1 agricultural commodities covered under the Federal Crop
2 Insurance Act (7 U.S.C. 1501 et seq.).

3 (b) COLLECTION OF INFORMATION AND PROPOS-
4 ALS.—The Corporation shall require private insurance
5 providers and agents to supply, and the private insurance
6 providers and agents shall supply, records and information
7 necessary to make the determinations and evaluations re-
8 quired under this section. The Corporation shall solicit
9 from the approved insurance providers and agents propos-
10 als for modifying or altering the requirements, regulations,
11 procedures, and processes related to implementing the
12 Federal Crop Insurance Act to reduce the operating and
13 administrative costs of the providers and agents.

14 (c) INITIAL REPORT.—Not later than 180 days after
15 receipt of information and cost-reduction proposals under
16 subsection (b), the Corporation shall evaluate the informa-
17 tion and proposals obtained and report the results of the
18 evaluation to the Committee on Agriculture of the House
19 of Representatives and the Committee on Agriculture, Nu-
20 trition, and Forestry of the Senate.

21 (d) FINAL REPORT.—Not later than 2 years after the
22 date of enactment of this Act, the Comptroller General
23 and the Corporation shall submit a final report that pro-
24 vides the evaluation required under subsection (a) to the
25 Committee on Agriculture of the House of Representatives

1 and the Committee on Agriculture, Nutrition, and For-
2 estry of the Senate. In making the evaluation, the Comp-
3 troller General and the Corporation shall—

4 (1) consider the changes made by the Corpora-
5 tion in response to increased program participation
6 resulting from the enactment of this Act;

7 (2) include an evaluation and opinion of the ac-
8 curacy and reasonableness of—

9 (A) the average actual costs for approved
10 insurance providers to deliver multiple peril
11 crop insurance;

12 (B) the cost per policy of complying with
13 the requirements, regulations, procedures, and
14 processes of the Federal Crop Insurance Act;

15 (C) the cost differences for various pro-
16 vider firm sizes and any business delivered by
17 the Federal Government;

18 (D) the adequacy of the standard reim-
19 bursement for potential new providers; and

20 (E) the identification of any new costs re-
21 lated to the enactment of this Act not pre-
22 viously identified in the information reported by
23 the providers;

24 (3) compare delivery costs of multiple peril crop
25 insurance to other insurance coverages that the pro-

1 vider may sell and determine the extent, if any, to
2 which any funds provided to carry out the Federal
3 Crop Insurance Act are being used to fund any
4 other business enterprise operated by the provider;

5 (4)(A) assess alternative methods for reimburs-
6 ing providers for reasonable and necessary expenses
7 associated with delivery of multiple peril crop insur-
8 ance;

9 (B) recommend changes under this paragraph
10 that reasonably demonstrate the need to achieve the
11 greatest operating efficiencies on the part of the pro-
12 vider and the Corporation has been recognized; and

13 (C) identify areas for improved operating effi-
14 ciencies, if any, in the requirements made by the
15 Corporation for compliance and program integrity;

16 (5) assess the potential for alternative forms of
17 reinsurance arrangements for providers of different
18 firm sizes, taking into consideration—

19 (A) the need to achieve a reasonable return
20 on the capital of the provider compared to other
21 lines of insurance;

22 (B) the relative risk borne by the provider
23 for the different lines of insurance;

24 (C) the availability and price of commercial
25 reinsurance; and

1 (D) any additional costs that may be in-
2 curred by the Federal Government in carrying
3 out the Federal Crop Insurance Act; and

4 (6) include an analysis of the effect of the cur-
5 rent or proposed reinsurance arrangements on pro-
6 viders having different business levels.

7 (e) INFORMATION.—

8 (1) PRIVACY.—In conducting the evaluation re-
9 quired by this section, the Comptroller General and
10 the Corporation shall maintain the privacy of propri-
11 etary information.

12 (2) SUBPOENAS.—The Comptroller General
13 shall have the power to subpoena information rel-
14 evant to the evaluation required by this section from
15 any private insurance provider. The Comptroller
16 General shall allow the Corporation access to the in-
17 formation subpoenaed taking into consideration the
18 necessity of preserving the privacy of proprietary in-
19 formation.

20 **SEC. 119. CONFORMING AMENDMENTS.**

21 (a) PRICE SUPPORT PROGRAMS.—

22 (1) IN GENERAL.—Title IV of the Agricultural
23 Act of 1949 (7 U.S.C. 1421 et seq.) is amended by
24 adding at the end the following new section:

1 **“SEC. 427. CROP INSURANCE REQUIREMENT.**

2 “As a condition of receiving any benefit (including
3 payments) under title I or II for each of the 1995 and
4 subsequent crops of tobacco, rice, extra long staple cotton,
5 upland cotton, feed grains, wheat, peanuts, oilseeds, and
6 sugar, a producer must obtain at least catastrophic risk
7 protection insurance coverage under section 508 of the
8 Federal Crop Insurance Act (7 U.S.C. 1508) for the crop
9 and crop year for which the benefit is sought, if the cov-
10 erage is offered by the Corporation.”.

11 (2) RICE.—Section 101B(c) of such Act (7
12 U.S.C. 1441–2(c)) is amended—

13 (A) in paragraph (1), by striking subpara-
14 graph (F); and

15 (B) by striking paragraph (2) and insert-
16 ing the following new paragraph:

17 “(2) CROP INSURANCE REQUIREMENT.—A pro-
18 ducer shall obtain catastrophic risk protection insur-
19 ance coverage in accordance with section 427.”.

20 (3) UPLAND COTTON.—Section 103B(c) of such
21 Act (7 U.S.C. 1444–2(c)) is amended—

22 (A) in paragraph (1), by striking subpara-
23 graph (F); and

24 (B) by striking paragraph (2) and insert-
25 ing the following new paragraph:

1 “(2) CROP INSURANCE REQUIREMENT.—A pro-
 2 ducer shall obtain catastrophic risk protection insur-
 3 ance coverage in accordance with section 427.”.

4 (4) FEED GRAINS.—Section 105B(c) of such
 5 Act (7 U.S.C. 1444f(c)) is amended—

6 (A) in paragraph (1), by striking subpara-
 7 graph (G); and

8 (B) by striking paragraph (2) and insert-
 9 ing the following new paragraph:

10 “(2) CROP INSURANCE REQUIREMENT.—A pro-
 11 ducer shall obtain catastrophic risk protection insur-
 12 ance coverage in accordance with section 427.”.

13 (5) WHEAT.—Section 107B(c) of such Act (7
 14 U.S.C. 1445b–3a(c)) is amended—

15 (A) in paragraph (1), by striking subpara-
 16 graph (G); and

17 (B) by striking paragraph (2) and insert-
 18 ing the following new paragraph:

19 “(2) CROP INSURANCE REQUIREMENT.—A pro-
 20 ducer shall obtain catastrophic risk protection insur-
 21 ance coverage in accordance with section 427.”.

22 (6) DISASTER PAYMENTS.—Section 208 of such
 23 Act (7 U.S.C. 1446i) is repealed.

24 (b) FARMERS HOME ADMINISTRATION PROGRAMS.—
 25 The Consolidated Farm and Rural Development Act (7

1 U.S.C. 1921 et seq.) is amended by adding at the end
2 the following new section:

3 **“SEC. 371. CROP INSURANCE REQUIREMENT.**

4 “(a) IN GENERAL.—As a condition of obtaining any
5 benefit (including a direct loan, loan guarantee, or pay-
6 ment) described in subsection (b), a borrower must obtain
7 at least catastrophic risk protection insurance coverage
8 under section 508 of the Federal Crop Insurance Act (7
9 U.S.C. 1508) for the crop and crop year for which the
10 benefit is sought, if the coverage is offered by the Corpora-
11 tion.

12 “(b) APPLICABLE BENEFITS.—Subsection (a) shall
13 apply to—

14 “(1) a farm ownership loan (FO) under section
15 303;

16 “(2) an operating loan (OL) under section 312;
17 and

18 “(3) an emergency loan (EM) under section
19 321.”.

20 (c) DISASTER ASSISTANCE.—Subtitle B of title XXII
21 of the Food, Agriculture, Conservation, and Trade Act
22 of 1990 (7 U.S.C. 1421 note) is amended by striking
23 chapter 3.

24 (d) EMERGENCY APPROPRIATIONS.—

1 (1) IN GENERAL.—Effective January 1, 1995,
2 section 251(b)(2)(D)(i) of the Balanced Budget and
3 Emergency Deficit Control Act of 1985 (2 U.S.C.
4 901(b)(2)(D)(i)) is amended by adding at the end
5 the following new sentence: “This subparagraph
6 shall not apply to appropriations to cover agricul-
7 tural crop disaster assistance.”.

8 (2) EMERGENCY LEGISLATION.—Effective Jan-
9 uary 1, 1995, section 252(e) of such Act (2 U.S.C.
10 902(e)) is amended by adding at the end the follow-
11 ing new sentence: “This subsection shall not apply
12 to direct spending provisions to cover agricultural
13 crop disaster assistance.”.

14 (e) FALSE STATEMENTS.—Section 1014 of title 18,
15 United States Code, is amended by inserting “or a com-
16 pany the Corporation reinsures” after “Federal Crop In-
17 surance Corporation”.

18 (f) TECHNICAL AMENDMENTS.—

19 (1) The first sentence of section 506(d) (7
20 U.S.C. 1506(d)) is amended by striking “508(f)”
21 and inserting “508(j)”.

22 (2) The last sentence of section 507(c) (7
23 U.S.C. 1507(c)) is amended by striking “508(b)”
24 and inserting “508(h)”.

1 (3) Section 518 (7 U.S.C. 1518) is amended by
2 striking “(k)” and inserting “(m)”.

3 **SEC. 120. EFFECTIVE DATE.**

4 Except as otherwise provided in this title, this title
5 and the amendments made by this title shall become effec-
6 tive on the date of enactment of this Act and shall apply
7 to the provision of crop insurance under the Federal Crop
8 Insurance Act (7 U.S.C. 1501 et seq.) beginning with the
9 1995 crop year. With respect to the 1994 crop year, the
10 Federal Crop Insurance Act (as in effect on the day before
11 the date of enactment of this Act) shall continue to apply.

12 **TITLE II—DEPARTMENT OF AG-**
13 **RICULTURE REORGANIZA-**
14 **TION**

15 **SEC. 201. SHORT TITLE.**

16 (a) SHORT TITLE.—This title may be cited as the
17 “Department of Agriculture Reorganization Act of 1994”.

18 **SEC. 202. PURPOSE.**

19 The purpose of this title is to provide the Secretary
20 of Agriculture with the necessary authority to streamline
21 and reorganize the Department of Agriculture to achieve
22 greater efficiency, effectiveness, and economies in the or-
23 ganization and management of the programs and activities
24 carried out by the Department.

1 **SEC. 203. DEFINITIONS.**

2 Except where the context requires otherwise, for pur-
3 poses of this title:

4 (1) DEPARTMENT.—The term “Department”
5 means the Department of Agriculture.

6 (2) NATIONAL APPEALS DIVISION.—The term
7 “National Appeals Division” means the National
8 Appeals Division of the Department established
9 under section 272.

10 (3) SECRETARY.—The term “Secretary” means
11 the Secretary of Agriculture.

12 (4) FUNCTION.—The term “function” means
13 an administrative, financial, or regulatory activity of
14 an agency, office, officer, or employee of the Depart-
15 ment.

16 **Subtitle A—General**
17 **Reorganization Authorities**

18 **SEC. 211. TRANSFER OF DEPARTMENT FUNCTIONS TO SEC-**
19 **RETARY OF AGRICULTURE.**

20 (a) TRANSFER OF FUNCTIONS.—Except as provided
21 in subsection (b), there are transferred to the Secretary
22 of Agriculture all functions of all agencies, offices, officers,
23 and employees of the Department that are not already
24 vested in the Secretary on the date of the enactment of
25 this Act.

1 (b) EXCEPTIONS.—Subsection (a) shall not apply to
2 the following functions:

3 (1) Functions vested by subchapter II of chap-
4 ter 5 of title 5, United States Code, in administra-
5 tive law judges employed by the Department.

6 (2) Functions vested by the Inspector General
7 Act of 1978 (5 U.S.C. App.) in the Inspector Gen-
8 eral of the Department.

9 (3) Functions vested by chapter 9 of title 31,
10 United States Code, in the Chief Financial Officer
11 of the Department.

12 (4) Functions vested in the corporations of the
13 Department or the boards of directors and officers
14 of such corporations.

15 (5) Functions vested in the Alternative Agricul-
16 tural Research and Commercialization Board by the
17 Alternative Agricultural Research and Commer-
18 cialization Act of 1990 (7 U.S.C. 5901 et seq.).

19 **SEC. 212. AUTHORITY OF SECRETARY TO DELEGATE**
20 **TRANSFERRED FUNCTIONS.**

21 (a) DELEGATION OF AUTHORITY.—

22 (1) DELEGATION AUTHORIZED.—Subject to
23 paragraph (2), the Secretary may delegate to any
24 agency, office, officer, or employee of the Depart-
25 ment the authority to perform any function trans-

1 ferred to the Secretary under section 211(a) or any
2 other function vested in the Secretary as of the date
3 of the enactment of this Act. The authority provided
4 in the preceding sentence includes the authority to
5 establish, consolidate, alter, or discontinue any agen-
6 cy, office, or other administrative unit of the Depart-
7 ment.

8 (2) CONDITION ON AUTHORITY.—The delega-
9 tion authority provided by paragraph (1) shall be
10 subject to—

11 (A) sections 232, 251(d), 273, and 304
12 and subsections (a) and (b)(1) of section 261;

13 (B) sections 502 and 503 of the Agricul-
14 tural Trade Act of 1978 (7 U.S.C. 5692 and
15 5693); and

16 (C) section 8(b)(5) of the Soil Conserva-
17 tion and Domestic Allotment Act (16 U.S.C.
18 590h(b)(5)).

19 (b) COST-BENEFIT ANALYSIS REQUIRED FOR NAME
20 CHANGE.—

21 (1) ANALYSIS REQUIRED.—Except as provided
22 in paragraph (2), the Secretary shall conduct a cost-
23 benefit analysis before changing the name of any
24 agency, office, division, or other unit of the Depart-
25 ment to ensure that the benefits to be derived from

1 changing the name of the agency, office, division, or
2 other unit outweigh the expense of executing the
3 name change.

4 (2) EXCEPTION.—Paragraph (1) shall not
5 apply with respect to any name change required or
6 authorized by this title.

7 (c) PUBLIC COMMENT ON PROPOSED REORGANIZA-
8 TION.—To the extent that the implementation of the au-
9 thority provided to the Secretary by this title to reorganize
10 the Department involves the creation of new agencies or
11 offices within the Department or the delegation of major
12 functions or major groups of functions to any agency or
13 office of the Department (or the officers or employees of
14 such agency or office), the Secretary shall, to the extent
15 considered practicable by the Secretary—

16 (1) give appropriate advance public notice of
17 the proposed reorganization action or delegation;
18 and

19 (2) afford appropriate opportunity for inter-
20 ested parties to comment on the proposed reorga-
21 nization action or delegation.

22 (d) INTERAGENCY TRANSFER OF RECORDS, PROP-
23 erty, PERSONNEL, AND FUNDS.—

24 (1) RELATED TRANSFERS.—Subject to para-
25 graph (2), as part of the transfer or delegation of

1 a function of the Department made or authorized by
2 this title, the Secretary may transfer within the De-
3 partment—

4 (A) any of the records, property, or per-
5 sonnel affected by the transfer or delegation of
6 the function; and

7 (B) unexpended balances (available or to
8 be made available for use in connection with the
9 transferred or delegated function) of appropria-
10 tions, allocations, or other funds of the Depart-
11 ment.

12 (2) APPLICABLE LAW RELATING TO FUNDS
13 TRANSFER.—Section 1531 of title 31, United States
14 Code, shall apply to any transfer of funds under
15 paragraph (1).

16 (e) EXHAUSTION OF ADMINISTRATIVE APPEALS.—
17 Notwithstanding any other provision of law, a person shall
18 exhaust all administrative appeal procedures established
19 by the Secretary or required by law before the person may
20 bring an action in a court of competent jurisdiction
21 against—

22 (1) the Secretary;

23 (2) the Department; or

24 (3) an agency, office, officer, or employee of the
25 Department.

1 **SEC. 213. REDUCTIONS IN NUMBER OF DEPARTMENT PER-**
2 **SONNEL.**

3 (a) DEFINITIONS.—For purposes of this section:

4 (1) HEADQUARTERS OFFICES.—The term
5 “headquarters offices”, with respect to agencies, of-
6 fices, or other administrative units of the Depart-
7 ment, means the offices, functions, and employee po-
8 sitions that are located or performed—

9 (A) in Washington, District of Columbia;
10 or

11 (B) in such other locations as are identi-
12 fied by the Secretary for purposes of this sec-
13 tion.

14 (2) FIELD STRUCTURE.—The term “field struc-
15 ture” means the offices, functions, and employee po-
16 sitions of all agencies, offices, or other administra-
17 tive units of the Department, other than the head-
18 quarters offices, except that the term does not in-
19 clude State, county, or area committees established
20 under section 8(b)(5) of the Soil Conservation and
21 Domestic Allotment Act (16 U.S.C. 590h(b)(5)).
22 The term includes the physical and geographic loca-
23 tions of such agencies, offices, or other administra-
24 tive units.

25 (b) NUMBER OF REDUCTIONS REQUIRED.—The Sec-
26 retary shall achieve Federal employee reductions of at

1 least 7,500 staff years within the Department by the end
2 of fiscal year 1999. Reductions in the number of full-time
3 equivalent positions within the Department achieved
4 under section 5 of the Federal Workforce Restructuring
5 Act of 1994 (Public Law 103–226; 108 Stat. 115; 5
6 U.S.C. 3101 note) shall be counted toward the employee
7 reductions required under this section.

8 (c) EMPHASIS ON HEADQUARTERS OFFICES REDUC-
9 TIONS.—In achieving the employee reductions required by
10 subsection (b), the Secretary shall pursue a goal so that
11 the percentage of the total number of employee staff years
12 reduced in headquarters offices is at least twice the per-
13 centage of the total number of employee staff years re-
14 duced in the field structure.

15 (d) SCHEDULE.—The personnel reductions in head-
16 quarters offices and in the field structure should be accom-
17 plished concurrently in a manner determined by the Sec-
18 retary.

19 **SEC. 214. CONSOLIDATION OF HEADQUARTERS OFFICES.**

20 Subject to the availability of appropriated funds for
21 this purpose, the Secretary shall develop and carry out a
22 plan to consolidate offices located in Washington, District
23 of Columbia, of agencies, offices, and other administrative
24 units of the Department.

1 **SEC. 215. COMBINATION OF FIELD OFFICES.**

2 (a) COMBINATION OF OFFICES REQUIRED.—Where
3 practicable and to the extent consistent with efficient, ef-
4 fective, and improved service, the Secretary shall combine
5 field offices of agencies within the Department to reduce
6 personnel and duplicative overhead expenses.

7 (b) JOINT USE OF RESOURCES AND OFFICES RE-
8 QUIRED.—When two or more agencies of the Department
9 share a common field office, the Secretary shall require
10 the agencies to jointly use office space, equipment, office
11 supplies, administrative personnel, and clerical personnel
12 associated with that field office.

13 **SEC. 216. IMPROVEMENT OF INFORMATION SHARING.**

14 Whenever the Secretary procures or uses computer
15 systems, as may be provided for in advance in appropria-
16 tions Acts, the Secretary shall do so in a manner that en-
17 hances efficiency, productivity, and client services and is
18 consistent with the goal of promoting computer informa-
19 tion sharing among agencies of the Department.

20 **SEC. 217. REPORTS BY THE SECRETARY.**

21 (a) IN GENERAL.—Subject to subsection (b), not-
22 withstanding any other provision of law, the Secretary
23 may, but shall not be required to, prepare and submit any
24 report solely to the Committee on Agriculture of the
25 House of Representatives and the Committee on Agri-
26 culture, Nutrition, and Forestry of the Senate.

1 (b) LIMITATION.—For each fiscal year, the Secretary
2 may not prepare and submit more than 30 reports re-
3 ferred to in subsection (a).

4 (c) SELECTION OF REPORTS.—In consultation with
5 the Committee on Agriculture of the House of Representa-
6 tives and the Committee on Agriculture, Nutrition, and
7 Forestry of the Senate, the Secretary shall determine
8 which reports, if any, the Secretary will prepare and sub-
9 mit in accordance with subsection (b).

10 **SEC. 218. ASSISTANT SECRETARIES OF AGRICULTURE.**

11 (a) AUTHORIZATION.—The Secretary is authorized to
12 establish in the Department the positions of—

13 (1) Assistant Secretary of Agriculture for Con-
14 gressional Relations;

15 (2) Assistant Secretary of Agriculture for Ad-
16 ministration; and

17 (3) Assistant Secretary of Agriculture for Mar-
18 keting and Regulatory Programs.

19 (b) CONFIRMATION REQUIRED.—If the Secretary es-
20 tablishes any position of Assistant Secretary authorized
21 under subsection (a), the Assistant Secretary shall be ap-
22 pointed by the President, by and with the advice and con-
23 sent of the Senate.

24 (c) SUCCESSION.—Any official who is serving as As-
25 sistant Secretary of Agriculture for Administration or As-

1 sistant Secretary of Agriculture for Congressional Rela-
2 tions on the date of the enactment of this Act and who
3 was appointed as such Assistant Secretary by the Presi-
4 dent, by and with the advice and consent of the Senate,
5 shall not be required to be reappointed under subsection
6 (b) to the successor position authorized under subsection
7 (a) if the Secretary establishes the position, and the offi-
8 cial occupies the new position, within 180 days after the
9 date of the enactment of this Act (or such later date set
10 by the Secretary if litigation delays rapid succession).

11 (d) EXECUTIVE SCHEDULE.—Section 5315 of title 5,
12 United States Code, is amended by striking “Assistant
13 Secretaries of Agriculture (7).” and inserting “Assistant
14 Secretaries of Agriculture (3).”.

15 (e) REPEAL OF SUPERSEDED PROVISIONS REGARD-
16 ING ASSISTANT SECRETARIES.—The following provisions
17 of law are repealed:

18 (1) Section 2 of Reorganization Plan No. 2 of
19 1953 (5 U.S.C. App; 7 U.S.C. 2201 note).

20 (2) Section 2 of the Act entitled “An Act to en-
21 large the powers and duties of the Department of
22 Agriculture and to create an Executive Department
23 to be known as the Department of Agriculture.”, ap-
24 proved February 9, 1889 (7 U.S.C. 2212).

1 (3) The first paragraph designated “OFFICE OF
2 THE SECRETARY:” under the heading “DEPART-
3 MENT OF AGRICULTURE” of the Act entitled
4 “An Act making appropriations for the Department
5 of Agriculture for the fiscal year ending June thirti-
6 eth, nineteen hundred and seven.”, approved June
7 30, 1906 (34 Stat. 670; 7 U.S.C. 2212).

8 (4) Section 604(a) of the Rural Development
9 Act of 1972 (7 U.S.C. 2212a).

10 (5) Section 2 of Public Law 94–561 (7 U.S.C.
11 2212b).

12 (6) Section 8(a) of Public Law 97–325 (7
13 U.S.C. 2212c).

14 (7) Section 1413(d) of the National Agricul-
15 tural Research, Extension, and Teaching Policy Act
16 of 1977 (7 U.S.C. 3128(d)).

17 **SEC. 219. PAY INCREASES PROHIBITED.**

18 The compensation of any officer or employee of the
19 Department on the date of the enactment of this Act shall
20 not be increased as a result of the enactment of this title.

1 **Subtitle B—Farm and Foreign**
2 **Agricultural Services**

3 **SEC. 225. UNDER SECRETARY OF AGRICULTURE FOR FARM**
4 **AND FOREIGN AGRICULTURAL SERVICES.**

5 (a) AUTHORIZATION.—The Secretary is authorized to
6 establish in the Department the position of Under Sec-
7 retary of Agriculture for Farm and Foreign Agricultural
8 Services.

9 (b) CONFIRMATION REQUIRED.—If the Secretary es-
10 tablishes the position of Under Secretary of Agriculture
11 for Farm and Foreign Agricultural Services authorized
12 under subsection (a), the Under Secretary shall be ap-
13 pointed by the President, by and with the advice and con-
14 sent of the Senate.

15 (c) FUNCTIONS OF UNDER SECRETARY.—

16 (1) PRINCIPAL FUNCTIONS.—Upon establish-
17 ment, the Secretary shall delegate to the Under Sec-
18 retary of Agriculture for Farm and Foreign Agricul-
19 tural Services those functions under the jurisdiction
20 of the Department that are related to farm and for-
21 eign agricultural services.

22 (2) ADDITIONAL FUNCTIONS.—The Under Sec-
23 retary of Agriculture for Farm and Foreign Agricul-
24 tural Services shall perform such other functions as

1 may be required by law or prescribed by the Sec-
2 retary.

3 (d) SUCCESSION.—Any official who is serving as
4 Under Secretary of Agriculture for International Affairs
5 and Commodity Programs on the date of the enactment
6 of this Act and who was appointed by the President, by
7 and with the advice and consent of the Senate, shall not
8 be required to be reappointed under subsection (b) to the
9 successor position authorized under subsection (a) if the
10 Secretary establishes the position, and the official occupies
11 the new position, within 180 days after the date of the
12 enactment of this Act (or such later date set by the Sec-
13 retary if litigation delays rapid succession).

14 (e) CONFORMING AMENDMENTS.—

15 (1) EXISTING POSITION.—Section 501 of the
16 Agricultural Trade Act of 1978 (7 U.S.C. 5691), re-
17 lating to the Under Secretary of Agriculture for
18 International Affairs and Commodity Programs, is
19 repealed.

20 (2) EXECUTIVE SCHEDULE.—Section 5314 of
21 title 5, United States Code, is amended by striking
22 “Under Secretary of Agriculture for International
23 Affairs and Commodity Programs.” and inserting
24 “Under Secretary of Agriculture for Farm and For-
25 eign Agricultural Services.”.

1 **SEC. 226. CONSOLIDATED FARM SERVICE AGENCY.**

2 (a) ESTABLISHMENT.—The Secretary is authorized
3 to establish and maintain in the Department a Consoli-
4 dated Farm Service Agency.

5 (b) FUNCTIONS OF CONSOLIDATED FARM SERVICE
6 AGENCY.—If the Secretary establishes the Consolidated
7 Farm Service Agency under subsection (a), the Secretary
8 is authorized to assign to the Agency jurisdiction over the
9 following functions:

10 (1) Agricultural price and income support pro-
11 grams, production adjustment programs, and related
12 programs.

13 (2) General supervision of the Federal Crop In-
14 surance Corporation.

15 (3) Agricultural credit programs assigned be-
16 fore the date of the enactment of this Act by law to
17 the Farmers Home Administration (including farm
18 ownership and operating, emergency, and disaster
19 loan programs) and other lending programs for agri-
20 cultural producers and others engaged in the pro-
21 duction of agricultural commodities.

22 (4) Subchapter B of chapter 1 of subtitle D of
23 title XII of the Food Security Act of 1985 (16
24 U.S.C. 3831–3836) and the agricultural conserva-
25 tion program under the Soil Conservation and Do-
26 mestic Allotment Act (16 U.S.C. 590g et seq.).

1 (5) Such other functions as the Secretary con-
2 siders appropriate, except for those programs as-
3 signed by the Secretary to the Natural Resources
4 Conservation Service or another agency of the De-
5 partment under section 246(b).

6 (c) SPECIAL CONCURRENCE REQUIREMENTS FOR
7 CERTAIN FUNCTIONS.—In carrying out the programs
8 specified in subsection (b)(4), the Secretary shall—

9 (1) acting on the recommendations of the Con-
10 solidated Farm Service Agency, with the concurrence
11 of the Natural Resources Conservation Service, issue
12 regulations to carry out such programs;

13 (2) ensure that the Consolidated Farm Service
14 Agency, in establishing policies, priorities, and
15 guidelines for such programs, does so with the con-
16 currence of the Natural Resources Conservation
17 Service at national, State, and local levels;

18 (3) ensure that, in reaching such concurrence
19 at the local level, the Natural Resources Conserva-
20 tion Service works in cooperation with Soil and
21 Water Conservation Districts or similar organiza-
22 tions established under State law;

23 (4) ensure that officials of county and area
24 committees established under section 8(b)(5) of the
25 Soil Conservation and Domestic Allotment Act (16

1 U.S.C. 590h(b)(5)) meet annually with officials of
2 such Districts or similar organizations to consider
3 local conservation priorities and guidelines; and

4 (5) take steps to ensure that the concurrence
5 process does not interfere with the effective delivery
6 of such programs.

7 (d) JURISDICTION OVER CONSERVATION PROGRAM
8 APPEALS.—

9 (1) IN GENERAL.—Until such time as an ad-
10 verse decision described in this paragraph is referred
11 to the National Appeals Division for consideration,
12 the Consolidated Farm Service Agency shall have
13 initial jurisdiction over any administrative appeal re-
14 sulting from an adverse decision made under title
15 XII of the Food Security Act of 1985 (16 U.S.C.
16 3801 et seq.), including an adverse decision involv-
17 ing technical determinations made by the Natural
18 Resources Conservation Service.

19 (2) TREATMENT OF TECHNICAL DETERMINA-
20 TION.—With respect to administrative appeals in-
21 volving a technical determination made by the Natu-
22 ral Resources Conservation Service, the Consolidated
23 Farm Service Agency, by rule with the concurrence
24 of the Natural Resources Conservation Service, shall
25 establish procedures for obtaining review by the Nat-

1 ural Resources Conservation Service of the technical
2 determinations involved. Such rules shall ensure that
3 technical criteria established by the Natural Re-
4 sources Conservation Service shall be used by the
5 Consolidated Farm Service Agency as the basis for
6 any decisions regarding technical determinations. If
7 no review is requested, the technical determination
8 of the Natural Resources Conservation Service shall
9 be the technical basis for any decision rendered by
10 a county or area committee established under section
11 8(b)(5) of the Soil Conservation and Domestic Allot-
12 ment Act (16 U.S.C. 590h(b)(5)). If the committee
13 requests a review by the Natural Resources Con-
14 servation Service of a wetlands determination of the
15 Service, the Consolidated Farm Service Agency shall
16 consult with other Federal agencies whenever re-
17 quired by law or under a memorandum of agreement
18 in existence on the date of the enactment of this
19 Act.

20 (3) REINSTATEMENT OF PROGRAM BENE-
21 FITS.—Rules issued to carry out this subsection
22 shall provide for the prompt reinstatement of bene-
23 fits to a producer who is determined in an adminis-
24 trative appeal to meet the requirements of title XII

1 of the Food Security Act of 1985 applicable to the
2 producer.

3 (e) USE OF FEDERAL AND NON-FEDERAL EMPLOY-
4 EES.—

5 (1) USE AUTHORIZED.—In the implementation
6 of programs and activities assigned to the Consoli-
7 dated Farm Service Agency, the Secretary may use
8 interchangeably in local offices of the Agency both
9 Federal employees of the Department and non-Fed-
10 eral employees of county and area committees estab-
11 lished under section 8(b)(5) of the Soil Conservation
12 and Domestic Allotment Act (16 U.S.C.
13 590h(b)(5)).

14 (2) EXCEPTION.—Notwithstanding paragraph
15 (1), no personnel action (as defined in section
16 2302(a)(2)(A) of title 5, United States Code) may
17 be taken with respect to a Federal employee unless
18 such action is taken by another Federal employee.

19 (f) COLLOCATION.—To the maximum extent prac-
20 ticable, the Secretary shall collocate county offices of the
21 Consolidated Farm Service Agency with county offices of
22 the Natural Resources Conservation Service in order to—

23 (1) maximize savings from shared equipment,
24 office space, and administrative support;

1 (2) simplify paperwork and regulatory require-
2 ments;

3 (3) provide improved services to agricultural
4 producers and landowners affected by programs ad-
5 ministered by the Agency and the Service; and

6 (4) achieve computer compatibility between the
7 Agency and the Service to maximize efficiency and
8 savings.

9 (g) SAVINGS PROVISION.—For purposes of sub-
10 sections (c) through (f) of this section:

11 (1) A reference to the “Consolidated Farm
12 Service Agency” includes any other office, agency, or
13 administrative unit of the Department assigned the
14 functions authorized for the Consolidated Farm
15 Service Agency under this section.

16 (2) A reference to the “Natural Resources Con-
17 servaion Service” includes any other office, agency,
18 or administrative unit of the Department assigned
19 the functions authorized for the Natural Resources
20 Conservation Service under section 246(b).

21 (h) CONFORMING AMENDMENT.—Section 331(a) of
22 the Consolidated Farm and Rural Development Act (7
23 U.S.C. 1981(a)) is amended by striking “assets to the
24 Farmers Home Administration” and all that follows
25 through the period at the end of the subsection and insert-

1 ing “assets to such officers or agencies of the Department
2 of Agriculture as the Secretary considers appropriate.”.

3 **SEC. 227. STATE, COUNTY, AND AREA COMMITTEES.**

4 (a) COMMITTEES UNDER THE SOIL CONSERVATION
5 AND DOMESTIC ALLOTMENT ACT.—Section 8(b) of the
6 Soil Conservation and Domestic Allotment Act (16 U.S.C.
7 590h(b)) is amended—

8 (1) by inserting “(1)” after “(b)”;

9 (2) by designating the second through eighth
10 undesignated paragraphs as paragraphs (2) through
11 (8), respectively; and

12 (3) by striking paragraph (5) (as so designated)
13 and inserting the following new paragraph:

14 “(5) STATE, COUNTY, AND AREA COMMITTEES.—

15 “(A) APPOINTMENT OF STATE COMMITTEES.—

16 The Secretary shall appoint in each State a State
17 committee composed of not fewer than 3 nor more
18 than 5 members who are fairly representative of the
19 farmers in the State. The members of a State com-
20 mittee shall serve at the pleasure of the Secretary
21 for such term as the Secretary may establish.

22 “(B) ESTABLISHMENT OF COUNTY, AREA, OR
23 LOCAL COMMITTEES.—(i) In each county or area in
24 which activities are carried out under this section,

1 the Secretary shall establish a county or area com-
2 mittee.

3 “(ii) Any such committee shall consist of not
4 fewer than 3 nor more than 5 members who are
5 fairly representative of the agricultural producers in
6 the county or area and who shall be elected by the
7 agricultural producers in such county or area under
8 such procedures as the Secretary may prescribe.

9 “(iii) The Secretary may designate local admin-
10 istrative areas within the county or larger area cov-
11 ered by a committee established under clause (i).
12 Only agricultural producers within a local adminis-
13 trative area who participate or cooperate in pro-
14 grams administered within their area shall be eligi-
15 ble for nomination and election to the local commit-
16 tee for that area, under such regulations as the Sec-
17 retary may prescribe.

18 “(iv) The Secretary shall solicit and accept
19 nominations from organizations representing the in-
20 terests of socially disadvantaged groups (as defined
21 in section 355(e)(1) of the Consolidated Farm and
22 Rural Development Act (7 U.S.C. 2003(e)(1)).

23 “(v) Members of each county, area, or local
24 committee shall serve for terms not to exceed 3
25 years.

1 “(C) TERMINATION OR COMBINATION OF COM-
2 MITTEES.—The Secretary may not terminate a
3 county or area committee or combine or consolidate
4 two or more county or area committees unless—

5 “(i) the Secretary first notifies the commit-
6 tee or committees involved of the proposed ac-
7 tion; and

8 “(ii) the State committee of the State in
9 which the affected counties are located approves
10 of such action in a vote taken after the end of
11 the 60-day period beginning on the date the no-
12 tification is received.

13 “(D) USE OF COMMITTEES.—The Secretary
14 shall use the services of such committees in carrying
15 out programs under this section and the agricultural
16 credit programs under the Consolidated Farm and
17 Rural Development Act (7 U.S.C. 1921 et seq.) and
18 in considering administrative appeals as provided by
19 section 226(d) of the Department of Agriculture Re-
20 organization Act of 1994. The Secretary may use
21 the services of such committees in carrying out pro-
22 grams under other authorities administered by the
23 Secretary .

24 “(E) REGULATIONS.—The Secretary shall issue
25 such regulations as the Secretary considers nec-

1 essary relating to the selection and exercise of the
2 functions of the respective committees, and to the
3 administration through such committees of the pro-
4 grams described in subparagraph (D). Pursuant to
5 such regulations, each county and area committee
6 shall select an executive director for the area or
7 county. Such selection shall be made in the same
8 manner as provided for the selection of the county
9 executive director under section 7.21(b)(2) of title 7,
10 Code of Federal Regulations, as in effect on January
11 1, 1994. Regulations governing payments or grants
12 under this subsection shall be as simple and direct
13 as possible, and, whenever practicable, they shall be
14 classified on the following two bases:

15 “(i) Soil-depleting practices.

16 “(ii) Soil-building practices.

17 “(F) MANDATORY DUTIES OF SECRETARY.—In
18 carrying out this section, the Secretary shall—

19 “(i) insofar as practicable, protect the in-
20 terests of tenants and sharecroppers;

21 “(ii) accord such encouragement to pro-
22 ducer-owned and producer-controlled coopera-
23 tive associations as will be in harmony with the
24 policy toward cooperative associations set forth

1 in Federal laws and as will tend to promote ef-
 2 ficient methods of marketing and distribution;

3 “(iii) in every practicable manner, protect
 4 the interests of small producers; and

5 “(iv) in every practical way, encourage and
 6 provide for soil-conserving and soil-rebuilding
 7 practices.

8 “(G) DISCRETIONARY AUTHORITIES OF SEC-
 9 RETARY.—In carrying out this section, the Secretary
 10 may use other approved agencies.

11 “(H) LIMITATIONS.—In carrying out this sec-
 12 tion, the Secretary shall not have the authority to
 13 acquire any land or any right or interest in land.”.

14 (b) ELIMINATION OF FMHA COUNTY COMMIT-
 15 TEES.—The Consolidated Farm and Rural Development
 16 Act (7 U.S.C. 1921 et seq.) is amended—

17 (1) by striking section 332 (7 U.S.C. 1982);
 18 and

19 (2) in section 333 (7 U.S.C. 1983)—

20 (A) by striking paragraph (2); and

21 (B) redesignating paragraphs (3), (4), and
 22 (5) as paragraphs (2), (3), and (4), respec-
 23 tively.

1 **Subtitle C—Rural Economic and**
2 **Community Development**

3 **SEC. 231. UNDER SECRETARY OF AGRICULTURE FOR**
4 **RURAL ECONOMIC AND COMMUNITY DEVEL-**
5 **OPMENT.**

6 (a) AUTHORIZATION.—The Secretary is authorized to
7 establish in the Department the position of Under Sec-
8 retary of Agriculture for Rural Economic and Community
9 Development.

10 (b) CONFIRMATION REQUIRED.—If the Secretary es-
11 tablishes the position of Under Secretary of Agriculture
12 for Rural Economic and Community Development author-
13 ized under subsection (a), the Under Secretary shall be
14 appointed by the President, by and with the advice and
15 consent of the Senate.

16 (c) FUNCTIONS OF UNDER SECRETARY.—

17 (1) PRINCIPAL FUNCTIONS.—Upon establish-
18 ment, the Secretary shall delegate to the Under Sec-
19 retary of Agriculture for Rural Economic and Com-
20 munity Development those functions under the juris-
21 diction of the Department that are related to rural
22 economic and community development.

23 (2) ADDITIONAL FUNCTIONS.—The Under Sec-
24 retary of Agriculture for Rural Economic and Com-
25 munity Development shall perform such other func-

1 tions as may be required by law or prescribed by the
2 Secretary.

3 (d) SUCCESSION.—Any official who is serving as
4 Under Secretary of Agriculture for Small Community and
5 Rural Development on the date of the enactment of this
6 Act and who was appointed by the President, by and with
7 the advice and consent of the Senate, shall not be required
8 to be reappointed under subsection (b) to the successor
9 position authorized under subsection (a) if the Secretary
10 establishes the position, and the official occupies the new
11 position, within 180 days after the date of the enactment
12 of this Act (or such later date set by the Secretary if litigation delays rapid succession).

14 (e) LOAN APPROVAL AUTHORITY.—Approval authority for loans and loan guarantees in connection with the
15 electric and telephone loan and loan guarantee programs
16 authorized by the Rural Electrification Act of 1936 (7
17 U.S.C. 901 et seq.) shall not be transferred to, or conditioned on review of, a State director or other employee
18 whose primary duty is not the review and approval of such
19 loans or the provision of assistance to such borrowers.

22 (f) CONFORMING AMENDMENTS.—

23 (1) EXISTING POSITION.—Section 3 of the
24 Rural Development Policy Act of 1980 (7 U.S.C.
25 2211b) is amended by striking subsection (a).

1 (2) EXECUTIVE SCHEDULE.—Section 5314 of
2 title 5, United States Code, is amended by striking
3 “Under Secretary of Agriculture for Small Commu-
4 nity and Rural Development.” and inserting “Under
5 Secretary of Agriculture for Rural Economic and
6 Community Development.”.

7 (3) REPEAL OF RURAL DEVELOPMENT ADMIN-
8 ISTRATION.—Section 364 of the Consolidated Farm
9 and Rural Development Act (7 U.S.C. 2006f) is re-
10 pealed.

11 **SEC. 232. RURAL UTILITIES SERVICE.**

12 (a) ESTABLISHMENT REQUIRED.—The Secretary
13 shall establish and maintain within the Department the
14 Rural Utilities Service and assign to the Service such
15 functions as the Secretary considers appropriate.

16 (b) ADMINISTRATOR.—

17 (1) APPOINTMENT.—The Rural Utilities Service
18 shall be headed by an Administrator who shall be
19 appointed by the President, by and with the advice
20 and consent of the Senate.

21 (2) SUCCESSION.—Any official who is serving
22 as Administrator of the Rural Electrification Admin-
23 istration on the date of the enactment of this Act
24 and who was appointed by the President, by and
25 with the advice and consent of the Senate—

1 (A) may be considered to be serving in the
2 successor position established under paragraph
3 (1); and

4 (B) shall not be required to be reappointed
5 to that position by reason of the enactment of
6 this Act.

7 (3) EXECUTIVE SCHEDULE.—Section 5315 of
8 title 5, United States Code, is amended by adding
9 at the end the following:

10 “Administrator, Rural Utilities Service, Depart-
11 ment of Agriculture.”.

12 (c) FUNCTIONS.—The Secretary shall carry out
13 through the Rural Utilities Service the following functions
14 that are under the jurisdiction of the Department:

15 (1) Electric and telephone loan programs and
16 water and waste facility activities authorized by law,
17 including—

18 (A) the Rural Electrification Act of 1936
19 (7 U.S.C. 901 et seq.); and

20 (B) section 2322 of the Food, Agriculture,
21 Conservation, and Trade Act of 1990 (7 U.S.C.
22 1926–1); and

23 (2) Water and waste facility programs and ac-
24 tivities authorized by law, including—

1 (A) sections 306, 306A, 306B, and 306C,
2 the provisions of sections 309 and 309A relat-
3 ing to assets, terms, and conditions of water
4 and sewer programs, section 310B(b)(2), and
5 the amendment made by section 342 of the
6 Consolidated Farm and Rural Development Act
7 (7 U.S.C. 1926, 1926a, 1926b, 1926c, 1929,
8 1929a, 1932(b)(2), and 1013a); and

9 (B) section 2324 of the Food, Agriculture,
10 Conservation, and Trade Act of 1990 (7 U.S.C.
11 1926 note).

12 **SEC. 233. RURAL HOUSING AND COMMUNITY DEVELOP-**
13 **MENT SERVICE.**

14 (a) ESTABLISHMENT AUTHORIZED.—Notwithstand-
15 ing any other provision of law, the Secretary is authorized
16 to establish and maintain within the Department the
17 Rural Housing and Community Development Service and
18 to assign to the Service such functions as the Secretary
19 considers appropriate.

20 (b) FUNCTIONS.—If the Secretary establishes the
21 Rural Housing and Community Development Service
22 under subsection (a), the Secretary is authorized to assign
23 to the Service jurisdiction over the following:

24 (1) Programs and activities under title V of the
25 Housing Act of 1949 (42 U.S.C. 1471 et seq.).

1 (2) Programs and activities authorized under
2 section 310B(i) of the Consolidated Farm and Rural
3 Development Act (7 U.S.C. 1932(i)) and related
4 provisions of law.

5 (3) Programs and activities that relate to rural
6 community lending programs, including programs
7 authorized by sections 365 through 369 of the Con-
8 solidated Farm and Rural Development Act (7
9 U.S.C. 2008–2008d).

10 **SEC. 234. RURAL BUSINESS AND COOPERATIVE DEVELOP-**
11 **MENT SERVICE.**

12 (a) ESTABLISHMENT AUTHORIZED.—Notwithstand-
13 ing any other provision of law, the Secretary is authorized
14 to establish and maintain within the Department the
15 Rural Business and Cooperative Development Service and
16 to assign to the Service such functions as the Secretary
17 considers appropriate.

18 (b) FUNCTIONS.—If the Secretary establishes the
19 Rural Business and Cooperative Development Service
20 under subsection (a), the Secretary is authorized to assign
21 to the Service jurisdiction over the following:

22 (1) Section 313 and title V of the Rural Elec-
23 trification Act of 1936 (7 U.S.C. 940c and 950aa et
24 seq.).

1 (2) subtitle G of title XVI of the Food, Agri-
 2 culture, Conservation, and Trade Act of 1990 (7
 3 U.S.C. 5901 et seq.).

4 (3) Sections 306(a)(1) and 310B of the Con-
 5 solidated Farm and Rural Development Act (7
 6 U.S.C. 1926(a)(1) and 1932).

7 (4) Section 1323 of the Food Security Act of
 8 1985 (Public Law 99–198; 7 U.S.C. 1932 note).

9 (5) The Act of July 2, 1926 (44 Stat. 802,
 10 chapter 725; 7 U.S.C. 451 et seq.).

11 **SEC. 235. CONFORMING AMENDMENTS REGARDING RURAL**
 12 **ELECTRIFICATION ADMINISTRATION.**

13 (a) AMENDMENTS TO RURAL ELECTRIFICATION ACT
 14 OF 1936.—The Rural Electrification Act of 1936 (7
 15 U.S.C. 901 et seq.) is amended—

16 (1) by striking the first section (7 U.S.C. 901)
 17 and inserting the following:

18 **“SECTION 1. SHORT TITLE.**

19 “This Act may be cited as the ‘Rural Electrification
 20 Act of 1936’.”;

21 (2) in section 2(a) (7 U.S.C. 902(a)), by strik-
 22 ing “Administrator” and inserting “Secretary of Ag-
 23 riculture”;

24 (3) in section 3(a) (7 U.S.C. 903(a))—

1 (A) by striking “Administrator, upon the
2 request and approval of the Secretary of Agri-
3 culture,” and inserting “Secretary”; and

4 (B) by striking “Administrator appointed
5 pursuant to the provisions of this Act or from
6 the Administrator of the Rural Electrification
7 Administration established by Executive Order
8 Numbered 7037” and inserting “Secretary”;
9 (4) in section 8 (7 U.S.C. 908)—

10 (A) by striking “Administrator authorized
11 to be appointed by this Act” and inserting
12 “Secretary”; and

13 (B) by striking “Rural Electrification Ad-
14 ministration created by this Act” and inserting
15 “Secretary”;

16 (5) by striking section 11A (7 U.S.C. 911a);

17 (6) in section 13 (7 U.S.C. 913), by inserting
18 before the period at the end the following: “; and the
19 term ‘Secretary’ shall be deemed to mean the Sec-
20 retary of Agriculture”;

21 (7) in sections 206(b)(2), 306A(b), 311, and
22 405(b)(1)(A) (7 U.S.C. 927(b)(2), 936a(b), 940a,
23 and 945(b)(1)(A)), by striking “Rural Electrification
24 Administration” each place it appears and inserting
25 “Secretary”;

1 (8) in sections 305(c)(2)(C)(ii)(II) and 306E(d)
 2 (7 U.S.C. 935(c)(2)(C)(ii)(II) and 936e(d)), by
 3 striking “ADMINISTRATOR” and inserting “SEC-
 4 RETARY”;

5 (9) in section 403(b) (7 U.S.C. 943(b)), by
 6 striking “Rural Electrification Administration or of
 7 any other agency of the Department of Agriculture,”
 8 and inserting “Secretary,”;

9 (10) in section 404 (7 U.S.C. 944), by striking
 10 “the Administrator of the Rural Electrification Ad-
 11 ministration” and inserting “the Secretary shall des-
 12 ignate an official of the Department of Agriculture
 13 who”;

14 (11) in sections 406(c) and 410 (7 U.S.C.
 15 946(c) and 950), by striking “Administrator of the
 16 Rural Electrification Administration” each place it
 17 appears and inserting “Secretary”;

18 (12) in the heading of section 501 (7 U.S.C.
 19 950aa), by striking “**OF REA ADMINISTRATOR**”;
 20 and

21 (13) except as otherwise provided in this sub-
 22 section, by striking “Administrator” each place it
 23 appears in such Act and inserting “Secretary”.

24 (b) MISCELLANEOUS AMENDMENTS.—(1) Section
 25 236(a) of the Disaster Relief Act of 1970 (7 U.S.C. 912a)

1 is amended by striking “Rural Electrification Administra-
2 tion” and inserting “Secretary under the Rural Elec-
3 trification Act of 1936 (7 U.S.C. 901 et seq.)”.

4 (2) Section 505 of the Department of Agriculture Or-
5 ganic Act of 1944 (7 U.S.C. 915) is amended—

6 (A) by striking “Rural Electrification Ad-
7 ministration” and inserting “Secretary of Agri-
8 culture”; and

9 (B) by striking “its” and inserting “the
10 Secretary’s”.

11 (3) Section 401 of the Rural Electrification Act of
12 1938 (7 U.S.C. 903 note) is amended in the second para-
13 graph by striking “Administrator of the Rural Electrifica-
14 tion Administration” and inserting “Secretary of Agri-
15 culture”.

16 (4) Chapter 1 of subtitle D of title XXIII of the
17 Food, Agriculture, Conservation, and Trade Act of 1990
18 (7 U.S.C. 950aaa et seq.), relating to Distance Learning
19 and Medical Link Programs, is amended—

20 (A) in section 2333—

21 (i) by striking paragraph (1); and

22 (ii) by redesignating paragraphs (2)
23 through (11) as paragraphs (1) through (10),
24 respectively;

1 (B) in section 2334(h)(2), by striking “section
 2 2333(3)(F)” and inserting “section 2333(2)(F)”;
 3 and

4 (C) by striking “Administrator” each place it
 5 appears and inserting “Secretary”.

6 (5) Section 306(a)(15) of the Consolidated Farm and
 7 Rural Development Act (7 U.S.C. 1926(a)(15)) is amend-
 8 ed—

9 (A) by striking subparagraph (C); and

10 (B) by redesignating subparagraph (D) as sub-
 11 paragraph (C).

12 (6) Section 2322(d) of the Food, Agriculture, Con-
 13 servation, and Trade Act of 1990 (7 U.S.C. 1926–1(d))
 14 is amended—

15 (A) by striking paragraph (2); and

16 (B) by redesignating paragraph (3) as para-
 17 graph (2).

18 **Subtitle D—Food, Nutrition, and** 19 **Consumer Services**

20 **SEC. 241. UNDER SECRETARY OF AGRICULTURE FOR FOOD,** 21 **NUTRITION, AND CONSUMER SERVICES.**

22 (a) AUTHORIZATION.—The Secretary is authorized to
 23 establish in the Department the position of Under Sec-
 24 retary of Agriculture for Food, Nutrition, and Consumer
 25 Services.

1 (b) CONFIRMATION REQUIRED.—If the Secretary es-
2 tablishes the position of Under Secretary of Agriculture
3 for Food, Nutrition, and Consumer Services authorized
4 under subsection (a), the Under Secretary shall be ap-
5 pointed by the President, by and with the advice and con-
6 sent of the Senate.

7 (c) FUNCTIONS OF UNDER SECRETARY.—

8 (1) PRINCIPAL FUNCTIONS.—Upon establish-
9 ment, the Secretary shall delegate to the Under Sec-
10 retary of Agriculture for Food, Nutrition, and
11 Consumer Services those functions under the juris-
12 diction of the Department that are related to food,
13 nutrition, and consumer services (except as provided
14 in section 261(b)(1)).

15 (2) ADDITIONAL FUNCTIONS.—The Under Sec-
16 retary of Agriculture for Food, Nutrition, and
17 Consumer Services shall perform such other func-
18 tions as may be required by law or prescribed by the
19 Secretary.

20 (d) SUCCESSION.—Any official who is serving as As-
21 sistant Secretary of Agriculture for Food and Consumer
22 Services on the date of the enactment of this Act and who
23 was appointed by the President, by and with the advice
24 and consent of the Senate, shall not be required to be
25 reappointed under subsection (b) to the successor position

1 authorized under subsection (a) if the Secretary estab-
 2 lishes the position, and the official occupies the new posi-
 3 tion, within 180 days after the date of the enactment of
 4 this Act (or such later date set by the Secretary if litiga-
 5 tion delays rapid succession).

6 (e) EXECUTIVE SCHEDULE.—Section 5314 of title 5,
 7 United States Code, is amended by inserting after the
 8 item relating to the Under Secretary of Agriculture for
 9 Farm and Foreign Agricultural Services (as added by sec-
 10 tion 225(e)(2)) the following:

11 “Under Secretary of Agriculture for Food, Nu-
 12 trition, and Consumer Services.”.

13 **Subtitle E—Natural Resources and** 14 **Environment**

15 **SEC. 245. UNDER SECRETARY OF AGRICULTURE FOR NATU-** 16 **RAL RESOURCES AND ENVIRONMENT.**

17 (a) AUTHORIZATION.—The Secretary is authorized to
 18 establish in the Department the position of Under Sec-
 19 retary of Agriculture for Natural Resources and Environ-
 20 ment.

21 (b) CONFIRMATION REQUIRED.—If the Secretary es-
 22 tablishes the position of Under Secretary of Agriculture
 23 for Natural Resources and Environment authorized under
 24 subsection (a), the Under Secretary shall be appointed by

1 the President, by and with the advice and consent of the
2 Senate.

3 (c) FUNCTIONS OF UNDER SECRETARY.—

4 (1) PRINCIPAL FUNCTIONS.—Upon establish-
5 ment, the Secretary shall delegate to the Under Sec-
6 retary of Agriculture for Natural Resources and En-
7 vironment those functions under the jurisdiction of
8 the Department that are related to natural resources
9 and environment (except to the extent those func-
10 tions are delegated under section 226).

11 (2) ADDITIONAL FUNCTIONS.—The Under Sec-
12 retary of Agriculture for Natural Resources and En-
13 vironment shall perform such other functions and
14 duties as may be required by law or prescribed by
15 the Secretary.

16 (d) SUCCESSION.—Any official who is serving as As-
17 sistant Secretary of Agriculture for Natural Resources
18 and Environment on the date of the enactment of this Act
19 and who was appointed by the President, by and with the
20 advice and consent of the Senate, shall not be required
21 to be reappointed under subsection (b) to the successor
22 position authorized under subsection (a) if the Secretary
23 establishes the position, and the official occupies the new
24 position, within 180 days after the date of the enactment

1 of this Act (or such later date set by the Secretary if litigation delays rapid succession).

3 (e) EXECUTIVE SCHEDULE.—Section 5314 of title 5, United States Code, is amended by inserting after the item relating to the Under Secretary of Agriculture for Food, Nutrition, and Consumer Services (as added by section 241(e)) the following:

8 “Under Secretary of Agriculture for Natural Resources and Environment.”.

10 **SEC. 246. NATURAL RESOURCES CONSERVATION SERVICE.**

11 (a) ESTABLISHMENT.—The Secretary is authorized to establish and maintain within the Department a Natural Resources Conservation Service.

14 (b) FUNCTIONS.—If the Secretary establishes the Natural Resources Conservation Service under subsection (a), the Secretary is authorized to assign to the Service jurisdiction over the following:

18 (1) The rural environmental conservation program under title X of the Agricultural Act of 1970 (16 U.S.C. 1501 et seq.).

21 (2) The Great Plains Conservation Program under section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p(b)).

24 (3) The Water Bank Act (16 U.S.C. 1301 et seq.);

1 (4) The forestry incentive program under sec-
2 tion 4 of the Cooperative Forestry Assistance Act of
3 1978 (16 U.S.C. 2103).

4 (5) Title XII of the Food Security Act of 1985
5 (16 U.S.C. 3801 et seq.), except subchapter B of
6 chapter 1 of subtitle D of such title.

7 (6) Salinity control program under section
8 202(c) of the Colorado River Basin Salinity Control
9 Act (43 U.S.C. 1592(c)).

10 (7) The Farms for the Future Act of 1990 (7
11 U.S.C. 4201 note).

12 (8) Such other functions as the Secretary con-
13 siders appropriate, except functions under sub-
14 chapter B of chapter 1 of subtitle D of title XII of
15 the Food Security Act of 1985 (16 U.S.C. 3831–
16 3836) and the agricultural conservation program
17 under the Soil Conservation and Domestic Allotment
18 Act (16 U.S.C. 590g et seq.).

19 (c) SPECIAL CONCURRENCE REQUIREMENTS FOR
20 CERTAIN FUNCTIONS.—In carrying out the programs
21 specified in paragraphs (2), (3), (4), and (6) of subsection
22 (b) and the program under subchapter C of chapter 1 of
23 subtitle D of title XII of the Food Security Act of 1985
24 (16 U.S.C. 3837–3837f), the Secretary shall—

1 (1) acting on the recommendations of the Natu-
2 ral Resources Conservation Service, with the concur-
3 rence of the Consolidated Farm Service Agency,
4 issue regulations to carry out such programs;

5 (2) ensure that the Natural Resources Con-
6 servation Service, in establishing policies, priorities,
7 and guidelines for each such program, does so with
8 the concurrence of the Consolidated Farm Service
9 Agency at national, State, and local levels;

10 (3) ensure that, in reaching such concurrence
11 at the local level, the Natural Resources Conserva-
12 tion Service works in cooperation with Soil and
13 Water Conservation Districts or similar organiza-
14 tions established under State law;

15 (4) ensure that officials of county and area
16 committees established under section 8(b)(5) of the
17 Soil Conservation and Domestic Allotment Act (16
18 U.S.C. 590h(b)(5)) meet annually with officials of
19 such Districts or similar organizations to consider
20 local conservation priorities and guidelines; and

21 (5) take steps to ensure that the concurrence
22 process does not interfere with the effective delivery
23 of such programs.

24 (d) USE OF FEDERAL AND NON-FEDERAL
25 EMPLOYEES.—

1 (1) USE AUTHORIZED.—In the implementation
2 of functions assigned to the Natural Resources Con-
3 servation Service, the Secretary may use inter-
4 changeably in local offices of the Service both Fed-
5 eral employees of the Department and non-Federal
6 employees of county and area committees established
7 under section 8(b)(5) of the Soil Conservation and
8 Domestic Allotment Act (16 U.S.C. 590h(b)(5)).

9 (2) EXCEPTION.—Notwithstanding paragraph
10 (1), no personnel action (as defined in section
11 2302(a)(2)(A) of title 5, United States Code) may
12 be taken with respect to a Federal employee unless
13 such action is taken by another Federal employee.

14 (e) SAVINGS PROVISION.—For purposes of sub-
15 sections (c) and (d) of this section:

16 (1) A reference to the “Natural Resources Con-
17 servation Service” includes any other office, agency,
18 or administrative unit of the Department assigned
19 the functions authorized for the Natural Resources
20 Conservation Service under this section.

21 (2) A reference to the “Consolidated Farm
22 Service Agency” includes any other office, agency, or
23 administrative unit of the Department assigned the
24 functions authorized for the Consolidated Farm
25 Service Agency under section 226.

1 (f) CONFORMING AMENDMENTS.—

2 (1) SOIL CONSERVATION SERVICE.—Section 5
3 of the Soil Conservation and Domestic Allotment
4 Act (16 U.S.C. 590e) is repealed.

5 (2) SOIL AND WATER RESOURCES CONSERVA-
6 TION.—The Soil and Water Resources Conservation
7 Act of 1977 (16 U.S.C. 2001) is amended—

8 (A) in section 2(2) (16 U.S.C. 2001(2))—

9 (i) by striking “created the Soil Con-
10 servation Service”; and

11 (ii) by striking “Department of Agri-
12 culture which” and inserting “, has en-
13 sured that the Department of Agri-
14 culture”;

15 (B) in section 3(2) (16 U.S.C. 2002(2)),
16 by striking “through the Soil Conservation
17 Service”; and

18 (C) in section 6(a) (16 U.S.C. 2005(a)), by
19 striking “Soil Conservation Service” and insert-
20 ing “Secretary”.

21 (3) STATE TECHNICAL COMMITTEES.—Section
22 1262 of the Food Security Act of 1985 (16 U.S.C.
23 3862) is amended by adding at the end the following
24 new subsection:

1 “(e) FACA REQUIREMENTS.—The committees estab-
2 lished under section 1261 shall be exempt from the Fed-
3 eral Advisory Committee Act (5 U.S.C. App.).”.

4 **SEC. 247. REORGANIZATION OF FOREST SERVICE.**

5 (a) REQUIRED ELEMENTS OF REORGANIZATION
6 PROPOSALS.—Reorganization proposals that are devel-
7 oped by the Secretary to carry out the designation by the
8 President of the Forest Service as a Reinvention Lab pur-
9 suant to the National Performance Review, dated Septem-
10 ber 1993, shall include proposals for—

11 (1) reorganizing the Service in a manner that
12 is consistent with the principles of interdisciplinary
13 planning;

14 (2) redefining and consolidating the mission
15 and roles of, and research conducted by, employees
16 of the Service in connection with the National For-
17 est System and State and private forestry to facili-
18 tate interdisciplinary planning and to eliminate func-
19 tionalism;

20 (3) reforming the budget structure of the Serv-
21 ice to support interdisciplinary planning, including
22 reducing the number of budget line items;

23 (4) defining new measures of accountability so
24 that Congress may meet the constitutional obligation
25 of Congress to oversee the Service;

1 (5) achieving structural and organizational con-
2 solidations;

3 (6) to the extent practicable, sharing office
4 space, equipment, vehicles, and electronic systems
5 with other administrative units of the Department
6 and other Federal field offices, including proposals
7 for using an on-line system by all administrative
8 units of the Department to maximize administrative
9 efficiency; and

10 (7) reorganizing the Service in a manner that
11 will result in a larger percentage of employees of the
12 Service being retained at organizational levels below
13 regional offices, research stations, and the area of-
14 fice of the Service.

15 (b) REPORT.—Not later than March 31, 1995, the
16 Secretary shall submit a report to the Committee on Agri-
17 culture of the House of Representatives and the Commit-
18 tee on Agriculture, Nutrition, and Forestry of the Senate
19 that describes actions taken to carry out subsection (a),
20 identifies any disparities in regional funding patterns, and
21 contains the rationale behind the disparities.

1 **Subtitle F—Research, Education,**
2 **and Economics**

3 **SEC. 251. UNDER SECRETARY OF AGRICULTURE FOR RE-**
4 **SEARCH, EDUCATION, AND ECONOMICS.**

5 (a) AUTHORIZATION.—The Secretary is authorized to
6 establish in the Department the position of Under Sec-
7 retary of Agriculture for Research, Education, and Eco-
8 nomics.

9 (b) CONFIRMATION REQUIRED.—If the Secretary es-
10 tablishes the position of Under Secretary of Agriculture
11 for Research, Education, and Economics authorized under
12 subsection (a), the Under Secretary shall be appointed by
13 the President, by and with the advice and consent of the
14 Senate.

15 (c) FUNCTIONS OF UNDER SECRETARY.—

16 (1) PRINCIPAL FUNCTIONS.—Upon establish-
17 ment, the Secretary shall delegate to the Under Sec-
18 retary of Agriculture for Research, Education, and
19 Economics those functions and duties under the ju-
20 risdiction of the Department that are related to re-
21 search, education, and economics.

22 (2) ADDITIONAL FUNCTIONS.—The Under Sec-
23 retary of Agriculture for Research, Education, and
24 Economics shall perform such other functions and

1 duties as may be required by law or prescribed by
2 the Secretary.

3 (d) COOPERATIVE STATE RESEARCH, EDUCATION,
4 AND EXTENSION SERVICE.—

5 (1) ESTABLISHMENT.—There is established in
6 the Department a Cooperative State Research, Edu-
7 cation, and Extension Service.

8 (2) FUNCTIONS.—The Secretary shall delegate
9 to the Cooperative State Research, Education, and
10 Extension Service functions related to cooperative
11 State research programs and cooperative extension
12 and education programs that are under the jurisdic-
13 tion of the Department.

14 (3) OFFICER-IN-CHARGE.—If the Secretary es-
15 tablishes the position of Under Secretary of Agri-
16 culture for Research, Education, and Economics, the
17 officer in charge of the Cooperative State Research,
18 Education, and Extension Service shall report di-
19 rectly to the Under Secretary.

20 (e) EXECUTIVE SCHEDULE.—Section 5314 of title 5,
21 United States Code, is amended by inserting after the
22 item relating to the Under Secretary of Agriculture for
23 Natural Resources and Environment (as added by section
24 245(e)) the following:

1 “Under Secretary of Agriculture for Research,
2 Education, and Economics.”.

3 **SEC. 252. PROGRAM STAFF.**

4 In making the personnel reductions required under
5 section 213, the Secretary shall reduce the number of Fed-
6 eral research and education personnel of the Department
7 by a percentage equal to at least the percentage of overall
8 Department personnel reductions. The Secretary shall
9 achieve such reduction in research and education person-
10 nel in a manner that minimizes duplication and maximizes
11 coordination between Federal and State research and ex-
12 tension activities.

13 **Subtitle G—Food Safety**

14 **SEC. 261. UNDER SECRETARY OF AGRICULTURE FOR FOOD**
15 **SAFETY.**

16 (a) ESTABLISHMENT.—There is established in the
17 Department of Agriculture the position of Under Sec-
18 retary of Agriculture for Food Safety. The Under Sec-
19 retary shall be appointed by the President, by and with
20 the advice and consent of the Senate, from among individ-
21 uals with specialized training or significant experience in
22 food safety or public health programs.

23 (b) FUNCTIONS OF UNDER SECRETARY.—

24 (1) PRINCIPAL FUNCTIONS.—The Secretary
25 shall delegate to the Under Secretary of Agriculture

1 for Food Safety those functions and duties under
2 the jurisdiction of the Department that are primarily
3 related to food safety.

4 (2) ADDITIONAL FUNCTIONS.—The Under Sec-
5 retary of Agriculture for Food Safety shall perform
6 such other functions and duties as may be required
7 by law or prescribed by the Secretary.

8 (c) EXECUTIVE SCHEDULE.—Section 5314 of title 5,
9 United States Code, is amended by inserting after the
10 item relating to the Under Secretary of Agriculture for
11 Research, Education, and Economics (as added by section
12 251(e)) the following:

13 “Under Secretary of Agriculture for Food Safe-
14 ty.”.

15 (d) TECHNICAL AND SCIENTIFIC REVIEW GROUPS.—
16 The Secretary, acting through the Under Secretary for
17 Research, Education, and Economics, may, without regard
18 to the provisions of title 5, United States Code, governing
19 appointment in the competitive service, and without re-
20 gard to the provisions of chapter 51 and subchapter III
21 of chapter 53 of title 5, United States Code, relating to
22 classification and General Schedule pay rates—

23 (1) establish such technical and scientific review
24 groups as are needed to carry out the functions of
25 the Department; and

1 (2) appoint and pay the members of the groups,
2 except that officers and employees of the United
3 States shall not receive additional compensation for
4 service as a member of a group.

5 **SEC. 262. CONDITIONS FOR IMPLEMENTATION OF ALTER-**
6 **ATIONS IN THE LEVEL OF ADDITIVES AL-**
7 **LOWED IN ANIMAL DIETS.**

8 (a) CONDITIONS.—The Food and Drug Administra-
9 tion shall not implement or enforce the final rule described
10 in subsection (b) to alter the level of selenium allowed to
11 be used as a supplement in animal diets unless the Com-
12 missioner of the Food and Drug Administration makes a
13 determination that—

14 (1) selenium additives are not essential, at lev-
15 els authorized in the absence of such final rule, to
16 maintain animal nutrition and protect animal health;

17 (2) selenium at such levels is not safe to the
18 animals consuming the additive;

19 (3) selenium at such levels is not safe to indi-
20 viduals consuming edible portions of animals that re-
21 ceive the additive;

22 (4) selenium at such levels does not achieve its
23 intended effect of promoting normal growth and re-
24 production of livestock and poultry; and

13 **Subtitle H—National Appeals**
14 **Division**

16 For purposes of this subtitle:

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1 (2) AGENCY.—The term “agency” means any
2 agency of the Department designated by the Sec-
3 retary or a successor agency of the Department, ex-
4 cept that the term shall include the following (and
5 any successor to the following):

6 (A) The Consolidated Farm Service Agen-
7 cy (or other office, agency, or administrative
8 unit of the Department assigned the functions
9 authorized for the Consolidated Farm Service
10 Agency under section 226).

11 (B) The Commodity Credit Corporation,
12 with respect to domestic programs.

13 (C) The Farmers Home Administration.

14 (D) The Federal Crop Insurance Corpora-
15 tion.

16 (E) The Rural Development Administra-
17 tion.

18 (F) The Natural Resources Conservation
19 Service (or other office, agency, or administra-
20 tive unit of the Department assigned the func-
21 tions authorized for the Natural Resources Con-
22 servation Service under section 246(b)).

23 (G) A State, county, or area committee es-
24 tablished under section 8(b)(5) of the Soil Con-

1 servation and Domestic Allotment Act (16
2 U.S.C. 590h(b)(5)).

3 (3) APPELLANT.—The term “appellant” means
4 a participant who appeals an adverse decision in ac-
5 cordance with this subtitle.

6 (4) CASE RECORD.—The term “case record”
7 means all the materials maintained by the Secretary
8 related to an adverse decision.

9 (5) DIRECTOR.—The term “Director” means
10 the Director of the Division.

11 (6) DIVISION.—The term “Division” means the
12 National Appeals Division established by this title.

13 (7) HEARING OFFICER.—The term “hearing of-
14 ficer” means an individual employed by the Division
15 who hears and determines appeals of adverse deci-
16 sions by any agency.

17 (8) IMPLEMENT.—The term “implement” refers
18 to those actions necessary to effectuate fully and
19 promptly a final determination of the Division not
20 later than 30 calendar days after the effective date
21 of the final determination.

22 (9) PARTICIPANT.—The term “participant”
23 shall have the meaning given that term by the Sec-
24 retary by regulation.

1 **SEC. 272. NATIONAL APPEALS DIVISION AND DIRECTOR.**

2 (a) ESTABLISHMENT OF DIVISION.—The Secretary
3 shall establish and maintain an independent National Ap-
4 peals Division within the Department to carry out this
5 subtitle.

6 (b) DIRECTOR.—

7 (1) APPOINTMENT.—The Division shall be
8 headed by a Director, appointed by the Secretary
9 from among persons who have substantial experience
10 in practicing administrative law. In considering ap-
11 plicants for the position of Director, the Secretary
12 shall consider persons currently employed outside
13 Government as well as Government employees.

14 (2) TERM AND REMOVAL.—The Director shall
15 serve for a 6-year term of office, and shall be eligible
16 for reappointment. The Director shall not be subject
17 to removal during the term of office, except for
18 cause established in accordance with law.

19 (3) POSITION CLASSIFICATION.—The position
20 of the Director may not be a position in the excepted
21 service or filled by a noncareer appointee.

22 (c) DIRECTION, CONTROL, AND SUPPORT.—The Di-
23 rector shall be free from the direction and control of any
24 person other than the Secretary. The Division shall not
25 receive administrative support (except on a reimbursable
26 basis) from any agency other than the Office of the Sec-

1 retary. The Secretary may not delegate to any other offi-
2 cer or employee of the Department, other than the Direc-
3 tor, the authority of the Secretary with respect to the Divi-
4 sion.

5 (d) DETERMINATION OF APPEALABILITY OF AGENCY
6 DECISIONS.—If an officer, employee, or committee of an
7 agency determines that a decision is not appealable and
8 a participant appeals the decision to the Director, the Di-
9 rector shall determine whether the decision is adverse to
10 the individual participant and thus appealable or is a mat-
11 ter of general applicability and thus not subject to appeal.
12 The determination of the Director as to whether a decision
13 is appealable shall be administratively final.

14 (e) DIVISION PERSONNEL.—The Director shall ap-
15 point such hearing officers and other employees as are
16 necessary for the administration of the Division. A hearing
17 officer or other employee of the Division shall have no du-
18 ties other than those that are necessary to carry out this
19 subtitle.

20 **SEC. 273. TRANSFER OF FUNCTIONS.**

21 There are transferred to the Division all functions ex-
22 ercised and all administrative appeals pending before the
23 effective date of this subtitle (including all related func-
24 tions of any officer or employee) of or relating to—

1 (1) the National Appeals Division established
2 by section 426(c) of the Agricultural Act of 1949 (7
3 U.S.C. 1433e(c)) (as in effect on the day before the
4 date of the enactment of this Act);

5 (2) the National Appeals Division established
6 by subsections (d) through (g) of section 333B of
7 the Consolidated Farm and Rural Development Act
8 (7 U.S.C. 1983b) (as in effect on the day before the
9 date of the enactment of this Act);

10 (3) appeals of decisions made by the Federal
11 Crop Insurance Corporation; and

12 (4) appeals of decisions made by the Soil Con-
13 servation Service (as in effect on the day before the
14 date of the enactment of this Act).

15 **SEC. 274. NOTICE AND OPPORTUNITY FOR HEARING.**

16 Not later than 10 working days after an adverse deci-
17 sion is made that affects the participant, the Secretary
18 shall provide the participant with written notice of such
19 adverse decision and the rights available to the participant
20 under this subtitle or other law for the review of such ad-
21 verse decision.

22 **SEC. 275. INFORMAL HEARINGS.**

23 If an officer, employee, or committee of an agency
24 makes an adverse decision, the agency shall hold, at the
25 request of the participant, an informal hearing on the de-

1 cision. With respect to programs carried out through the
2 Consolidated Farm Service Agency (or other office, agen-
3 cy, or administrative unit of the Department assigned to
4 carry out the programs authorized for the Consolidated
5 Farm Service Agency under section 226), the Secretary
6 shall maintain the informal appeals process applicable to
7 such programs, as in effect on the date of the enactment
8 of the subtitle. If a mediation program is available under
9 title V of the Agricultural Credit Act of 1987 (7 U.S.C.
10 5101 et seq.) as a part of the informal hearing process,
11 the participant shall be offered the right to choose such
12 mediation.

13 **SEC. 276. RIGHT OF PARTICIPANTS TO DIVISION HEARING.**

14 (a) APPEAL TO DIVISION FOR HEARING.—Subject to
15 subsection (b), a participant shall have the right to appeal
16 an adverse decision to the Division for an evidentiary hear-
17 ing by a hearing officer consistent with section 277.

18 (b) TIME FOR APPEAL.—To be entitled to a hearing
19 under section 277, a participant shall request the hearing
20 not later than 30 days after the date on which the partici-
21 pant first received notice of the adverse decision.

22 **SEC. 277. DIVISION HEARINGS.**

23 (a) GENERAL POWERS OF DIRECTOR AND HEARING
24 OFFICERS.—

1 (1) ACCESS TO CASE RECORD.—The Director
2 and hearing officer shall have access to the case
3 record of any adverse decision appealed to the Divi-
4 sion for a hearing.

5 (2) ADMINISTRATIVE PROCEDURES.—The Di-
6 rector and hearing officer shall have the authority to
7 require the attendance of witnesses, and the produc-
8 tion of evidence, by subpoena and to administer
9 oaths and affirmations. Except to the extent re-
10 quired for the disposition of ex parte matters as au-
11 thorized by law—

12 (A) an interested person outside the Divi-
13 sion shall not make or knowingly cause to be
14 made to the Director or a hearing officer who
15 is or may reasonably be expected to be involved
16 in the evidentiary hearing or review of an ad-
17 verse decision, an ex parte communication (as
18 defined in section 551(14) of title 5, United
19 States Code) relevant to the merits of the pro-
20 ceeding;

21 (B) the Director and such hearing officer
22 shall not make or knowingly cause to be made
23 to any interested person outside the Division an
24 ex parte communication relevant to the merits
25 of the proceeding.

1 (b) TIME FOR HEARING.—Upon a timely request for
2 a hearing under section 276(b), an appellant shall have
3 the right to have a hearing by the Division on the adverse
4 decision within 45 days after the date of the receipt of
5 the request for the hearing.

6 (c) LOCATION AND ELEMENTS OF HEARING.—

7 (1) LOCATION.—A hearing on an adverse deci-
8 sion shall be held in the State of residence of the ap-
9 pellant or at a location that is otherwise convenient
10 to the appellant and the Division.

11 (2) EVIDENTIARY HEARING.—The evidentiary
12 hearing before a hearing officer shall be in person,
13 unless the appellant agrees to a hearing by telephone
14 or by a review of the case record. The hearing offi-
15 cer shall not be bound by previous findings of fact
16 by the agency in making a determination.

17 (3) INFORMATION AT HEARING.—The hearing
18 officer shall consider information presented at the
19 hearing without regard to whether the evidence was
20 known to the agency officer, employee, or committee
21 making the adverse decision at the time the adverse
22 decision was made. The hearing officer shall leave
23 the record open after the hearing for a reasonable
24 period of time to allow the submission of information
25 by the appellant or the agency after the hearing to

1 the extent necessary to respond to new facts, infor-
2 mation, arguments, or evidence presented or raised
3 by the agency or appellant.

4 (4) BURDEN OF PROOF.—The appellant shall
5 bear the burden of proving that the adverse decision
6 of the agency was erroneous.

7 (d) DETERMINATION NOTICE.—The hearing officer
8 shall issue a notice of the determination on the appeal not
9 later than 30 days after a hearing or after receipt of the
10 request of the appellant to waive a hearing, except that
11 the Director may establish an earlier or later deadline. If
12 the determination is not appealed to the Director for re-
13 view under section 278, the notice provided by the hearing
14 officer shall be considered to be a notice of an administra-
15 tively final determination.

16 (e) EFFECTIVE DATE.—The final determination shall
17 be effective as of the date of filing of an application, the
18 date of the transaction or event in question, or the date
19 of the original adverse decision, whichever is applicable.

20 **SEC. 278. DIRECTOR REVIEW OF DETERMINATIONS OF**
21 **HEARING OFFICERS.**

22 (a) REQUESTS FOR DIRECTOR REVIEW.—

23 (1) TIME FOR REQUEST BY APPELLANT.—Not
24 later than 30 days after the date on which an appel-
25 lant receives the determination of a hearing officer

1 under section 277, the appellant shall submit a writ-
2 ten request to the Director for review of the deter-
3 mination in order to be entitled to a review by the
4 Director of the determination.

5 (2) TIME FOR REQUEST BY AGENCY HEAD.—
6 Not later than 15 business days after the date on
7 which an agency receives the determination of a
8 hearing officer under section 277, the head of the
9 agency may make a written request that the Direc-
10 tor review the determination.

11 (b) DETERMINATION OF DIRECTOR.—The Director
12 shall conduct a review of the determination of the hearing
13 officer using the case record, the record from the evi-
14 dentiary hearing under section 277, the request for review,
15 and such other arguments or information as may be ac-
16 cepted by the Director. Based on such review, the Director
17 shall issue a final determination notice that upholds, re-
18 verses, or modifies the determination of the hearing offi-
19 cer. However, if the Director determines that the hearing
20 record is inadequate, the Director may remand all or a
21 portion of the determination for further proceedings to
22 complete the hearing record or, at the option of the Direc-
23 tor, to hold a new hearing. The Director shall complete
24 the review and either issue a final determination or re-
25 mand the determination not later than—

1 (1) 10 business days after receipt of the request
2 for review, in the case of a request by the head of
3 an agency for review; or

4 (2) 30 business days after receipt of the request
5 for review, in the case of a request by an appellant
6 for review.

7 (c) BASIS FOR DETERMINATION.—The determination
8 of the hearing officer and the Director shall be based on
9 information from the case record, laws applicable to the
10 matter at issue, and applicable regulations published in
11 the Federal Register and in effect on the date of the ad-
12 verse decision or the date on which the acts that gave rise
13 to the adverse decision occurred, whichever date is appro-
14 priate.

15 (d) EQUITABLE RELIEF.—Subject to regulations is-
16 sued by the Secretary, the Director shall have the author-
17 ity to grant equitable relief under this section in the same
18 manner and to the same extent as such authority is pro-
19 vided to the Secretary under section 326 of the Food and
20 Agriculture Act of 1962 (7 U.S.C. 1339a) and other laws.
21 Notwithstanding the administrative finality of a final de-
22 termination of an appeal by the Division, the Secretary
23 shall have the authority to grant equitable or other types
24 of relief to the appellant after an administratively final
25 determination is issued by the Division.

1 (e) EFFECTIVE DATE.—A final determination issued
2 by the Director shall be effective as of the date of filing
3 of an application, the date of the transaction or event in
4 question, or the date of the original adverse decision,
5 whichever is applicable.

6 **SEC. 279. JUDICIAL REVIEW.**

7 A final determination of the Division shall be
8 reviewable and enforceable by any United States district
9 court of competent jurisdiction in accordance with chapter
10 7 of title 5, United States Code.

11 **SEC. 280. IMPLEMENTATION OF FINAL DETERMINATIONS**
12 **OF DIVISION.**

13 On the return of a case to an agency pursuant to
14 the final determination of the Division, the head of the
15 agency shall implement the final determination not later
16 than 30 days after the effective date of the notice of the
17 final determination.

18 **SEC. 281. CONFORMING AMENDMENTS RELATING TO NA-**
19 **TIONAL APPEALS DIVISION.**

20 (a) DECISIONS OF STATE, COUNTY, AND AREA COM-
21 MITTEES.—

22 (1) APPLICATION OF SUBSECTION.—This sub-
23 section shall apply only with respect to functions of
24 the Consolidated Farm Service Agency or the Com-
25modity Credit Corporation that are under the juris-

1 diction of a State, county, or area committee estab-
2 lished under section 8(b)(5) of the Soil Conservation
3 and Domestic Allotment Act (16 U.S.C. 590h(b)(5))
4 or an employee of such a committee.

5 (2) FINALITY.—Each decision of a State, coun-
6 ty, or area committee (or an employee of such a
7 committee) covered by paragraph (1) that is made in
8 good faith in the absence of misrepresentation, false
9 statement, fraud, or willful misconduct shall be final
10 not later than 90 days after the date of filing of the
11 application for benefits, unless the decision is—

12 (A) appealed under this subtitle; or

13 (B) modified by the Administrator of the
14 Consolidated Farm Service Agency or the Exec-
15 utive Vice President of the Commodity Credit
16 Corporation.

17 (3) RECOVERY OF AMOUNTS.—If the decision of
18 the State, county, or area committee has become
19 final under paragraph (2), no action may be taken
20 by the Consolidated Farm Service Agency, the Com-
21 modity Credit Corporation, or a State, county, or
22 area committee to recover amounts found to have
23 been disbursed as a result of a decision in error un-
24 less the participant had reason to believe that the
25 decision was erroneous.

1 (4) SAVINGS PROVISION.—For purposes of this
2 subsection, a reference to the “Consolidated Farm
3 Service Agency” includes any other office, agency, or
4 administrative unit of the Department assigned the
5 functions authorized for the Consolidated Farm
6 Service Agency under section 226.

7 (b) AGRICULTURAL STABILIZATION AND CONSERVA-
8 TION SERVICE.—Section 426 of the Agricultural Act of
9 1949 (7 U.S.C. 1433e) is repealed.

10 (c) FARMERS HOME ADMINISTRATION.—Section
11 333B of the Consolidated Farm and Rural Development
12 Act (7 U.S.C. 1983b) is repealed.

13 **SEC. 282. EXPANSION OF ISSUES COVERED BY STATE MEDI-**
14 **ATION PROGRAMS.**

15 (a) EXPANSION OF MEDIATION PROGRAMS.—Section
16 501 of the Agricultural Credit Act of 1987 (7 U.S.C.
17 5101) is amended—

18 (1) in subsection (a), by striking “an agricul-
19 tural loan mediation program” and inserting “a me-
20 diation program”;

21 (2) in subsection (b), by striking “agricultural
22 loan”; and

23 (3) by striking subsection (c) and inserting the
24 following new subsection:

1 “(c) REQUIREMENTS OF STATE MEDIATION PRO-
2 GRAMS.—

3 “(1) ISSUES COVERED.—To be certified as a
4 qualifying State, the mediation program of the State
5 must provide mediation services for the persons de-
6 scribed in paragraph (2) who are involved in agricul-
7 tural loans or agricultural loans and one or more of
8 the following issues under the jurisdiction of the De-
9 partment of Agriculture:

10 “(A) Wetlands determinations.

11 “(B) Compliance with farm programs, in-
12 cluding conservation programs.

13 “(C) Agricultural credit.

14 “(D) Rural water loan programs.

15 “(E) Grazing on National Forest System
16 lands.

17 “(F) Pesticides.

18 “(G) Such other issues as the Secretary
19 considers appropriate.

20 “(2) PERSONS ELIGIBLE FOR MEDIATION.—The
21 persons referred to in paragraph (1) are producers,
22 their creditors (if applicable), and other persons di-
23 rectly affected by actions of the Department of Agri-
24 culture.

1 “(3) CERTIFICATION CONDITIONS.—The Sec-
2 retary shall certify a State as a qualifying State with
3 respect to the issues proposed to be covered by the
4 mediation program of the State if the mediation pro-
5 gram—

6 “(A) provides for mediation services that,
7 if decisions are reached, result in mediated, mu-
8 tually agreeable decisions between the parties to
9 the mediation;

10 “(B) is authorized or administered by an
11 agency of the State government or by the Gov-
12 ernor of the State;

13 “(C) provides for the training of medi-
14 ators;

15 “(D) provides that the mediation sessions
16 shall be confidential;

17 “(E) ensures, in the case of agricultural
18 loans, that all lenders and borrowers of agricul-
19 tural loans receive adequate notification of the
20 mediation program; and

21 “(F) ensures, in the case of other issues
22 covered by the mediation program, that persons
23 directly affected by actions of the Department
24 of Agriculture receive adequate notification of
25 the mediation program.”.

1 (b) PARTICIPATION OF DEPARTMENT.—Section 503
2 of such Act (7 U.S.C. 5103) is amended—

3 (1) by striking “agricultural loan” each place it
4 appears;

5 (2) in the matter preceding subparagraph (A)
6 of subsection (a)(1)—

7 (A) by inserting “or agency” after “pro-
8 gram”; and

9 (B) by striking “that makes, guarantees,
10 or insures agricultural loans”;

11 (3) in subsection (a)(1)(A)—

12 (A) by inserting “or agency” after “such
13 program”; and

14 (B) by inserting “certified under section
15 501” after “mediation program”;

16 (4) in subsection (a)(1)(B)—

17 (A) by striking “, effective beginning on
18 the date of the enactment of this Act,”; and

19 (B) by inserting “certified under section
20 501” after “mediation programs”; and

21 (5) in subsection (a)(1)(C)—

22 (A) in clause (i), by striking “described in”
23 and inserting “certified under”; and

24 (B) in clause (ii), by inserting “if applica-
25 ble,” before “present”.

1 (c) REGULATIONS.—Section 504 of such Act (7
2 U.S.C. 5104) is amended—

3 (1) by striking “Within 150 days after the date
4 of the enactment of this Act, the” and inserting
5 “The”; and

6 (2) by adding at the end the following new sen-
7 tence: “The regulations prescribed by the Secretary
8 shall require qualifying States to adequately train
9 mediators to address all of the issues covered by the
10 mediation program of the State.”.

11 (d) REPORT.—Section 505 of such Act (7 U.S.C.
12 5105) is amended by striking “1990” and inserting
13 “1998”.

14 (e) AUTHORIZATION OF APPROPRIATIONS.—Section
15 506 of such Act (7 U.S.C. 5106) is amended by striking
16 “1995” and inserting “2000”.

17 (f) CONFORMING AMENDMENTS.—

18 (1) REFERENCES TO AGRICULTURAL LOANS.—
19 Subtitle A of title V of such Act is amended—

20 (A) in sections 502 and 505(1) (7 U.S.C.
21 5102, 5105(1)), by striking “agricultural loan”
22 each place it appears; and

23 (B) in section 505(3) (7 U.S.C. 5105(3)),
24 by striking “an agricultural loan mediation”
25 and inserting “a mediation”.

1 (2) WAIVER OF FARM CREDIT SYSTEM MEDI-
 2 ATION RIGHTS BY BORROWERS.—Section 4.14E of
 3 the Farm Credit Act of 1971 (12 U.S.C. 2202e) is
 4 amended by striking “agricultural loan”.

5 (3) WAIVER OF FMHA MEDIATION RIGHTS BY
 6 BORROWERS.—Section 358 of the Consolidated
 7 Farm and Rural Development Act (7 U.S.C. 2006)
 8 is amended by striking “agricultural loan”.

9 **SEC. 283. AUTHORIZATION OF APPROPRIATIONS.**

10 There are authorized to be appropriated such sums
 11 as may be necessary to carry out the activities of the Divi-
 12 sion.

13 **Subtitle I—Miscellaneous**
 14 **Reorganization Provisions**

15 **SEC. 291. SUCCESSORSHIP PROVISIONS RELATING TO BAR-**
 16 **GAINING UNITS AND EXCLUSIVE REPRESENT-**
 17 **ATIVES.**

18 (a) VOLUNTARY AGREEMENT.—

19 (1) IN GENERAL.—If the exercise of the Sec-
 20 retary’s authority under this title results in changes
 21 to an existing bargaining unit that has been certified
 22 under chapter 71 of title 5, United States Code, the
 23 affected parties shall attempt to reach a voluntary
 24 agreement on a new bargaining unit and an exclu-
 25 sive representative for such unit.

1 (2) CRITERIA.—In carrying out the require-
2 ments of this subsection, the affected parties shall
3 use criteria set forth in—

4 (A) sections 7103(a)(4), 7111(e),
5 7111(f)(1), and 7120 of title 5, United States
6 Code, relating to determining an exclusive rep-
7 resentative; and

8 (B) section 7112 of title 5, United States
9 Code (disregarding subsections (b)(5) and (d)
10 thereof), relating to determining appropriate
11 units.

12 (b) EFFECT OF AN AGREEMENT.—

13 (1) IN GENERAL.—If the affected parties reach
14 agreement on the appropriate unit and the exclusive
15 representative for such unit under subsection (a),
16 the Federal Labor Relations Authority shall certify
17 the terms of such agreement, subject to paragraph
18 (2)(A). Nothing in this subsection shall be consid-
19 ered to require the holding of any hearing or election
20 as a condition for certification.

21 (2) RESTRICTIONS.—

22 (A) CONDITIONS REQUIRING NONCER-
23 TIFICATION.—The Federal Labor Relations Au-
24 thority may not certify the terms of an agree-
25 ment under paragraph (1) if—

1 (i) it determines that any of the cri-
2 teria referred to in subsection (a)(2) (dis-
3 regarding section 7112(a) of title 5, Unit-
4 ed States Code) have not been met; or

5 (ii) after the Secretary's exercise of
6 authority and before certification under
7 this section, a valid election under section
8 7111(b) of title 5, United States Code, is
9 held covering any employees who would be
10 included in the unit proposed for certifi-
11 cation.

12 (B) TEMPORARY WAIVER OF PROVISION
13 THAT WOULD BAR AN ELECTION AFTER A COL-
14 LECTIVE BARGAINING AGREEMENT IS
15 REACHED.—Nothing in section 7111(f)(3) of
16 title 5, United States Code, shall prevent the
17 holding of an election under section 7111(b) of
18 such title that covers employees within a unit
19 certified under paragraph (1), or giving effect
20 to the results of such an election (including a
21 decision not to be represented by any labor or-
22 ganization), if the election is held before the
23 end of the 12-month period beginning on the
24 date such unit is so certified.

1 (C) CLARIFICATION.—The certification of
2 a unit under paragraph (1) shall not, for pur-
3 poses of the last sentence of section 7111(b) of
4 title 5, United States Code, or section
5 7111(f)(4) of such title, be treated as if it had
6 occurred pursuant to an election.

7 (3) DELEGATION.—

8 (A) IN GENERAL.—The Federal Labor Re-
9 lations Authority may delegate to any regional
10 director (as referred to in section 7105(e) of
11 title 5, United States Code) its authority under
12 the preceding provisions of this subsection.

13 (B) REVIEW.—Any action taken by a re-
14 gional director under subparagraph (A) shall be
15 subject to review under the provisions of section
16 7105(f) of title 5, United States Code, in the
17 same manner as if such action had been taken
18 under section 7105(e) of such title, except that
19 in the case of a decision not to certify, such re-
20 view shall be required if application therefor is
21 filed by an affected party within the time speci-
22 fied in such provisions.

23 (c) DEFINITION.—For purposes of this section, the
24 term “affected party” means—

1 (1) with respect to an exercise of authority by
2 the Secretary under this title, any labor organization
3 affected thereby; and

4 (2) the Department of Agriculture.

5 **SEC. 292. PURCHASE OF AMERICAN-MADE EQUIPMENT AND**
6 **PRODUCTS.**

7 (a) SENSE OF CONGRESS.—It is the sense of the Con-
8 gress that, to the greatest extent practicable, all equip-
9 ment and products purchased using funds made available
10 pursuant to this title should be American-made.

11 (b) NOTICE REQUIREMENT.—In providing financial
12 assistance to, or entering into any contract with, any en-
13 tity using funds made available pursuant to this title, the
14 Secretary, to the greatest extent practicable, shall provide
15 to such entity a notice describing the statement made in
16 subsection (a) by the Congress.

17 **SEC. 293. MISCELLANEOUS CONFORMING AMENDMENTS.**

18 (a) UNITED STATES GRAIN STANDARDS ACT.—The
19 United States Grain Standards Act (7 U.S.C. 71 et seq.)
20 is amended—

21 (1) in section 3 (7 U.S.C. 75)—

22 (A) by inserting “and” at the end of sub-
23 section (y);

24 (B) by striking subsections (z) and (aa);

25 and

1 (C) by redesignating subsection (bb) as
2 subsection (z);

3 (2) by striking section 3A (7 U.S.C. 75a);

4 (3) in section 5(b) (7 U.S.C. 77(b)), by striking
5 “Service employees” and inserting “employees of the
6 Secretary”;

7 (4) in sections 7(j)(2) and 7A(l)(2) (7 U.S.C.
8 79(j)(2) and 79a(l)(2)), by striking “supervision by
9 Service personnel of its field office personnel” in the
10 first sentence of both sections and inserting “super-
11 vision by the Secretary of the Secretary’s field office
12 personnel”;

13 (5) in section 12(c) (7 U.S.C. 87a(c)), by strik-
14 ing “or Administrator”;

15 (6) in section 12(d) (7 U.S.C. 87a(d)), by strik-
16 ing “or the Administrator”;

17 (7) except as otherwise provided in this sub-
18 section, by striking “Administrator” each place it
19 appears and inserting “Secretary”; and

20 (8) except as otherwise provided in this sub-
21 section, by striking “Service” each place it appears
22 and inserting “Secretary”.

23 (b) PACKERS AND STOCKYARDS ACT, 1921.—Section
24 407 of the Packers and Stockyards Act, 1921 (7 U.S.C.
25 228), is amended—

1 (1) by striking subsection (b);

2 (2) by redesignating subsections (c), (d), (e),
3 and (f), as subsections (b), (c), (d), and (e), respec-
4 tively; and

5 (3) in subsection (e) (as so redesignated), by
6 striking “subsection (e)” and inserting “subsection
7 (d)”.

8 **SEC. 294. REMOVAL OF OBSOLETE ADMINISTRATIVE PROVI-**
9 **SIONS.**

10 Section 5316 of title 5, United States Code, is
11 amended—

12 (1) by striking “Administrator, Agricultural
13 Marketing Service, Department of Agriculture.”;

14 (2) by striking “Administrator, Agricultural Re-
15 search Service, Department of Agriculture.”;

16 (3) by striking “Administrator, Agricultural
17 Stabilization and Conservation Service, Department
18 of Agriculture.”;

19 (4) by striking “Administrator, Farmers Home
20 Administration.”;

21 (5) by striking “Administrator, Foreign Agri-
22 cultural Service, Department of Agriculture.”;

23 (6) by striking “Administrator, Rural Elec-
24 trification Administration, Department of Agri-
25 culture.”;

1 (7) by striking “Administrator, Soil Conserva-
2 tion Service, Department of Agriculture.”;

3 (8) by striking “Chief Forester of the Forest
4 Service, Department of Agriculture.”;

5 (9) by striking “Director of Science and Edu-
6 cation, Department of Agriculture.”;

7 (10) by striking “Administrator, Animal and
8 Plant Health Inspection Service, Department of Ag-
9 riculture.”; and

10 (11) by striking “Administrator, Federal Grain
11 Inspection Service, Department of Agriculture.”.

12 **SEC. 295. PROPOSED CONFORMING AMENDMENTS.**

13 Not later than 180 days after the date of the enact-
14 ment of this Act, the Secretary shall submit to Congress
15 recommended legislation containing additional technical
16 and conforming amendments to Federal laws that are re-
17 quired as a result of the enactment of this title.

18 **SEC. 296. TERMINATION OF AUTHORITY.**

19 (a) IN GENERAL.—Subject to subsection (b), the au-
20 thority delegated to the Secretary by this title to reorga-
21 nize the Department shall terminate on the date that is
22 2 years after the date of enactment of this Act.

23 (b) FUNCTIONS.—Subsection (a) shall not affect—

24 (1) the authority of the Secretary to continue to
25 carry out a function that the Secretary performs on

1 the date that is 2 years after the date of enactment
2 of this Act;

3 (2) the authority delegated to the Secretary
4 under Reorganization Plan No. 2 of 1953 (5 U.S.C.
5 App; 7 U.S.C. 2201 note); or

6 (3) the authority of an agency, office, officer, or
7 employee of the Department to continue to perform
8 all functions delegated or assigned to the entity or
9 person as of that termination date.

10 **TITLE III—MISCELLANEOUS**

11 **SEC. 301. POULTRY LABELING.**

12 It is the sense of Congress that—

13 (1) the United States Department of Agri-
14 culture should—

15 (A) carry out the plans of the Department
16 to hold public hearings for the purpose of re-
17 ceiving public input on issues related to the
18 conditions under which poultry sold in the Unit-
19 ed States may be labeled “fresh”; and

20 (B) finalize and publish a decision on the
21 issues as expeditiously as possible after holding
22 the hearings; and

23 (2) no person serving on the expert advisory
24 committee established to advise the Secretary of Ag-
25 riculture on the issues should stand to profit, or rep-

1 resent any interest that would stand to profit, from
2 the decision of the Department on the issues.

3 **SEC. 302. FIRST AMENDMENT RIGHTS OF EMPLOYEES OF**
4 **THE UNITED STATES DEPARTMENT OF AGRI-**
5 **CULTURE.**

6 Notwithstanding any other provision of law, no em-
7 ployee of the United States Department of Agriculture
8 shall be peremptorily removed, on or after February 15,
9 1994, from the position of the employee without an oppor-
10 tunity for a public or nonpublic hearing, at the option of
11 the employee, because of remarks made during personal
12 time in opposition to policies, or proposed policies, of the
13 Department, including policies or proposed policies re-
14 garding homosexuals. Any employee removed on or after
15 February 15, 1994, without the opportunity for such a
16 hearing shall be reinstated to the position of the employee
17 pending such a hearing.

18 **SEC. 303. ADJUSTED COST OF THRIFTY FOOD PLAN.**

19 (a) IN GENERAL.—Section 3(o)(11) of the Food
20 Stamp Act of 1977 (7 U.S.C. 2012(o)(11)) is amended
21 by inserting “and (in the case of households residing in
22 Alaska) on October 1, 1994,” after “1992,”.

23 (b) EFFECTIVE DATE.—The amendment made by
24 subsection (a) shall be effective beginning on September
25 30, 1994.

1 **SEC. 304. OFFICE OF RISK ASSESSMENT AND COST-BENEFIT**
2 **ANALYSIS.**

3 (a) OFFICE OF RISK ASSESSMENT AND COST-BENE-
4 FIT ANALYSIS.—The Secretary of Agriculture shall estab-
5 lish in the Department of Agriculture an Office of Risk
6 Assessment and Cost-Benefit Analysis, which shall be
7 under the direction of a Director appointed by the Sec-
8 retary.

9 (b) FUNCTIONS.—The Director shall ensure that any
10 regulatory analysis that is conducted under this section
11 includes a risk assessment and cost-benefit analysis that
12 is performed consistently and uses reasonably obtainable
13 and sound scientific, technical, economic, and other data.

14 (1) IN GENERAL.—Effective six months after
15 the date of enactment of this Act, the Secretary of
16 Agriculture shall publish in the Federal Register, for
17 each proposed major regulation the primary purpose
18 of which is to regulate issues of human health,
19 human safety, or the environment that is promul-
20 gated by the Department after the enactment of this
21 Act, an analysis with as much specificity as prac-
22 ticable, of—

23 (A) the risk, including the effect of the
24 risk, to human health, human safety, or the en-
25 vironment, and any combination thereof, ad-
26 dressed by the regulation, including, where ap-

1 plicable and practicable, the health and safety
2 risks to persons who are disproportionately ex-
3 posed or particularly sensitive;

4 (B) the costs associated with the imple-
5 mentation of, and compliance with, the regula-
6 tion;

7 (C) where appropriate and meaningful, a
8 comparison of that risk relative to other similar
9 risks regulated by the Department or other
10 Federal Agency, resulting from comparable ac-
11 tivities and exposure pathways (such compari-
12 sons should consider relevant distinctions
13 among risks, such as the voluntary or involun-
14 tary nature of risks and the preventability or
15 nonpreventability of risks); and

16 (D) the quantitative and qualitative bene-
17 fits of the regulation, including the reduction or
18 prevention of risk expected from the regulation.

19 Where such a regulatory analysis is not practicable be-
20 cause of compelling circumstances, the Director shall pro-
21 vide an explanation in lieu of conducting an analysis under
22 this section.

23 (2) EVALUATION.—The regulatory analysis re-
24 ferred to in paragraph (1) should also contain a

1 statement that the Secretary of Agriculture evalu-
2 ated—

3 (A) whether the regulation will advance the
4 purpose of protecting against the risk referred
5 to in paragraph (1)(A); and

6 (B) whether the regulation will produce
7 benefits and reduce risks to human health,
8 human safety, or the environment, and any
9 combination thereof, in a cost-effective manner
10 as a result of the implementation of and compli-
11 ance with the regulation, by local, State, and
12 Federal Government and other public and pri-
13 vate entities, as estimated in paragraph (1)(B).

14 (3) This section shall not be construed to
15 amend, modify, or alter any statute and shall not be
16 subject to judicial review. This section shall not be
17 construed to grant a cause of action to any person.
18 The Secretary of Agriculture shall perform the anal-
19 yses required in this section in such a manner that
20 does not delay the promulgation or implementation
21 of regulations mandated by statute or judicial order.

22 (c) DEFINITION.—As used in this section, the term
23 “major regulation” means any regulation that the Sec-
24 retary of Agriculture estimates is likely to have an annual

1 impact on the economy of the United States of
2 \$100,000,000 in 1994 dollars.

3 **SEC. 305. FAIR AND EQUITABLE TREATMENT OF SOCIALLY**
4 **DISADVANTAGED PRODUCERS.**

5 (a) FAIR CROP ACREAGE BASES AND FARM PRO-
6 GRAM PAYMENT YIELDS.—If the Secretary of Agriculture
7 determines that crop acreage bases or farm program pay-
8 ment yields established for farms owned or operated by
9 socially disadvantaged producers are not established in ac-
10 cordance with title V of the Agricultural Act of 1949 (7
11 U.S.C. 1461 et seq.), the Secretary shall adjust the bases
12 and yields to conform to the requirements of such title
13 and make available any appropriate commodity program
14 benefits.

15 (b) FAIR APPLICATION OF CONSOLIDATED FARM
16 AND RURAL DEVELOPMENT ACT.—If the Secretary of Ag-
17 riculture determines that application of the Consolidated
18 Farm and Rural Development Act (7 U.S.C. 1921 et seq.)
19 with respect to socially disadvantaged producers is not
20 consistent with the requirements of such Act, the Sec-
21 retary shall make such changes in the administration of
22 such Act as the Secretary considers necessary to provide
23 for the fair and equitable treatment of socially disadvan-
24 tagged producers under such Act.

1 (c) REPORT ON TREATMENT OF SOCIALLY DIS-
2 ADVANTAGED PRODUCERS.—

3 (1) REPORT REQUIRED.—The Comptroller Gen-
4 eral of the United States shall prepare a report to
5 determine—

6 (A) whether socially disadvantaged produc-
7 ers are underrepresented on State, county,
8 area, or local committees established under sec-
9 tion 8(b)(5) of the Soil Conservation and Do-
10 mestic Allotment Act (16 U.S.C. 590h(b)(5)) or
11 local review committees established under sec-
12 tion 363 of the Agricultural Adjustment Act of
13 1938 (7 U.S.C. 1363) because of racial, ethnic,
14 or gender prejudice; and

15 (B) if such underrepresentation exists,
16 whether it inhibits or interferes with the partici-
17 pation of socially disadvantaged producers in
18 programs of the Department of Agriculture.

19 (2) SUBMISSION OF REPORT.—Not later than
20 February 1, 1995, the Comptroller General shall
21 submit the report required by this subsection to the
22 Committee on Agriculture of the House of Rep-
23 resentatives and the Committee on Agriculture, Nu-
24 trition, and Forestry of the Senate.

1 (d) DEFINITION.—For purposes of this section, the
2 term “socially disadvantaged producer” means a producer
3 who is a member of a group whose members have been
4 subjected to racial, ethnic, or gender prejudice because of
5 their identity as members of a group without regard to
6 their individual qualities.

7 **SEC. 306. AVIATION INSPECTIONS.**

8 (a) STUDY REGARDING ACCEPTANCE OF FEDERAL
9 AVIATION ADMINISTRATION AIRCRAFT INSPECTIONS.—

10 (1) INTENT OF STUDY.—The intent of the
11 study required by this subsection is to examine the
12 cost efficiencies of conducting inspections of aircraft
13 and pilots by one Federal agency without reducing
14 aircraft, passenger, or pilot safety standards or low-
15 ering mission preparedness.

16 (2) STUDY REQUIRED.—The Secretary of Agri-
17 culture and the Secretary of Transportation shall
18 jointly conduct a study of the inspection specifica-
19 tions and procedures by which aircraft and pilots
20 contracted by the Department are certified to deter-
21 mine the cost efficiencies of eliminating duplicative
22 Department inspection requirements and transfer-
23 ring some or all inspection requirements to the Fed-
24 eral Aviation Administration, while ensuring that

1 neither aircraft, passenger, nor pilot safety is re-
2 duced and that mission preparedness is maintained.

3 (3) SPECIAL CONSIDERATIONS.—In conducting
4 the study, the Secretaries shall evaluate current in-
5 spection specifications and procedures mandated by
6 the Department and the Forest Service, taking into
7 consideration the unique requirements and risks of
8 particular Department and Forest Service missions
9 that may require special inspection specifications
10 and procedures to ensure the safety of Department
11 and Forest Service personnel and their contractees.

12 (4) MAINTENANCE OF STANDARDS AND PRE-
13 PAREDNESS.—In making recommendations to trans-
14 fer inspection authority or otherwise change Depart-
15 ment inspection specifications and procedures, the
16 Secretaries shall ensure that the implementation of
17 any such recommendations does not lower aircraft or
18 pilot standards or preparedness for Department or
19 Forest Service missions.

20 (5) SUBMISSION OF RESULTS.—Not later than
21 180 days after the date of the enactment of this Act,
22 the Secretaries shall submit to Congress the results
23 of the study, including any recommendations to
24 transfer inspection authority or otherwise change

1 Department inspection specifications and procedures
2 and a cost-benefit analysis of such recommendations.

3 (b) REVIEW OF RECENTLY ADOPTED AIRCRAFT POL-
4 ICY.—

5 (1) REVIEW REQUIRED.—The Secretary of Ag-
6 riculture shall review the policy initiated by the Sec-
7 retary on July 1, 1994, to accept Federal Aviation
8 Administration inspections on aircraft and pilots
9 that provide “airport to airport” service for the For-
10 est Service. The policy is currently being coopera-
11 tively developed by the Department and the Federal
12 Aviation Administration and is intended to reduce
13 duplicative inspections and to reduce Government
14 costs, while maintaining aircraft, passenger, and
15 pilot safety standards, specifications and procedures
16 currently required by the Department and the For-
17 est Service.

18 (2) EXPANSION OF POLICY.—As part of the re-
19 view, the Secretary of Agriculture shall examine the
20 feasibility and desirability of applying this policy on
21 a Government-wide basis.

22 (3) SUBMISSION OF RESULTS.—Not later than
23 one year after the date of the implementation of the
24 policy, the Secretary of Agriculture shall submit to
25 Congress the results of the review, including any

1 recommendations that the Secretary considers ap-
2 propriate.



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